



Daily Report

East Europe

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Army Official Meets With NATO Delegation

AU2204100493 Tirana ATA in English 0809 GMT
22 Apr 93

[Text] Tirana, April 22 (ATA)—On April 21, in the course of its visit to Albania, the NATO military delegation, headed by the chief of the Supreme Staff of the European allied forces, General James Davis, had a working meeting at the Army General Staff, which was attended by high ranking officers.

The chief of the Army General Staff, Lieutenant General Ilia Vasho, made a presentation of the work for restructuring the army, pointing to the fact that in this difficult undertaking, to create an army after the most advanced patterns, alongside the devotion of the officers and all the effective, we also enjoy the support of NATO and the USA. This cooperation is increasing. To this testifies our contribution to guarding the Adriatic for ensuring the embargo and our officers' participation in the ships of NATO fleet to profit from the experience and further strengthen relations and cooperation. In order that the Albanian Army, he said in continuation, be a factor of security, stability and peace in the region, it needs support in the field of logistics, equipments and armament.

General Davis, after explaining aspects of NATO's strategy and its role in ensuring security and stability in our Balkan region, said that in order to ensure the embargo against Serbia and strengthen sanctions against it, a total blockade is expected in the Adriatic.

So, NATO ships can anchor in your ports in order to ever better realise the tasks. As regards to relations and cooperation, he said that it is of great importance to further materialise relations between the NATO staff and the Albanian Army General Staff. Soon they will define the concrete fields of mutual benefit. NATO's concern in Albania is great because it has made steps ahead and has put at NATO's disposal everything it requires. He also stated that it will influence in Albania's being supported by the USA.

On the same day, General Davis left Albania.

Shopkeepers Demonstrate Against Property Law

AU2204120893 Lezhe KOHA JONE in Albanian
17 Apr 93 p 5

[Armand Shkullaku article: "The Albanian State Tries To Build Capitalism Without Capitalists"]

[Text] The law recently approved by the Albanian parliament for the restoration of property and the compensation of former proprietors has led the Association of Free Traders of Albania [Shoqata e Tregtareve te Lire te Shqiperise, ShTLSh], in a sign of protest, to announce the closure of all shops throughout the republic. After a demonstration held outside the ShTLSh's headquarters in the International Hotel, many shops closed between 0800 and 1000 last Thursday [15 April].

It must be said that as long ago as 25 March, the ShTLSh presented its criticisms and demands relating to this bill that the Meksi government put before the parliament. These criticisms related specifically to Articles 12 and 16 of the bill, which became Articles 17, 18, and 19 of the law.

According to Mr. Qirjako Noti, the ShTLSh's chairman, the approved law is a communist law that digs a grave for free traders. These traders built their shops on vacant lots and subsequently bought the land. The law makes the former proprietors co-owners with the present traders. However, absurd rents have been imposed. An Albanian trader who currently owns a shop must pay the former proprietor \$10-15 per month per square meter, while the rent for foreigners is only 50 cents. Thus, a trader with premises of 200 square meters must pay a sum of \$2,000-2,500 per month(?).

Members of the association whom we asked said that they have been on general strike since yesterday. Mr. Noti said that their decision seems fair to them, because the state president and the chairman of the parliament did not agree to receive them.

The law as approved threatens to throw the association's 40,000 members into the streets. As the traders say, the law also conflicts with the Law on Human Rights and Freedom. It hurts new proprietors, forcing them to become co-owners. The traders say that they have nothing against the former proprietors. Let their property rights be recognized, and let them receive compensation. However, this law provokes social conflict. Why should only shopkeepers pay rent? They have already bought their shops once. If these shops had been sold to foreigners (as has happened in some cases), would the state make them too? Bearing in mind that it was the democratic government that issued the permits and made the decisions for the construction of these shops, how can one explain its failure to respect its own decision?

While we were talking to Mr. Qirjako Noti and other traders, someone reported that a large number of traders gathered outside the association's headquarters had set off in anger to the president's office. This was at about 0930 yesterday. Mr. Noti told us that the association had sought police permission for a protest rally, but this permission had been refused. What happened outside the president's office?

A large group of people assembled outside the head of state's office shouted "We want our property!"; "Freedom, democracy"; "We want to meet the president!"; etc. Somebody emerged from the president's office and asked for representatives to come to meet the president. After waiting inside for a long time, this group was told that the president could not receive them, but that they could ask for a lawyer if they wished. The traders' representatives refused this and left. Almost simultaneously, a large number of policemen began to forcibly disperse the protesters. A large number of women were

evident in the crowd. The forces of order began to strike protesters, hauling them into cars. The policemen hit one woman several times and brought her to the ground. Several others were hit by rubber truncheons and fists and were kicked. More than 20 people were seized by the police and sent to police stations. After dispersing the demonstrators, the police erected a barrier at the main bridge over the Lane. One policeman who said that he had hauled seven people to a vehicle with his own hands stated that the rally was illegal and that the police had been obliged to use force.

All the traders said that they are determined not to make any concessions. Our children and families, they said, want food. Neither the president nor the parliament can deprive us of what belongs to us. Our strikes and protests will continue, and we call on all traders to join us in solidarity.

Italian-Albanian Cooperation Alleged in 1991

AU2104192093 Tirana ATA in English 0831 GMT
21 Apr 93

[ATA report: "Inquiry Into Italian-Albanian Cooperation in the First Months of 1991"—According to the Italian Newspaper PANORAMA]

[Text] Tirana, April 21 (ATA)—The newspaper RILINDJA DEMOKRATIKE carries an article from the Italian newspaper PANORAMA, written by Stefano Kensarati, regarding the investigation regarding Italian-Albanian cooperation in the first months of 1991.

How can an import-export enterprise, not well known even for its sector, ensure exclusiveness in providing food and medicaments worth billions of liras accorded by the Italian Government for Albania? - the newspaper writes.

Two years later, after a judicial investigation carried out in Albania and another one which has just begun in

Rome by the Attorney Evelina Canale, there emerges the problem of the Italian cooperation with Albania in the first months of 1991 at the moment when the communist regime was passing away and on the verge of the first democratic elections. Involved are the Bari Association Levante Co., its partner beyond the Adriatic, Iliria Holding, Albanian presidency, and the heads of the two governments of Tirana, Adil Carcani until February 22, 1991 and Fatos Nano, now the number one of the Socialist Party, that is the former-communist party.

The newspaper asks how is it explained that Levante Co. succeeded in challenging all the giants of the Italian agro-food productions. This can be answered by the figure of its manager, Giuseppe Pernida. In Albania, he is a friend of the son of President Alia, Arben Alia, and of Fatos Nano. In Italy he maintains very good relations with De Michelis, at that time foreign minister.

Mass Grave Found for Victims in Bomb Case

AU2104204093 Tirana ATA in English 1015 GMT
21 Apr 93

[Text] Tirana, April 20 (ATA)—The burial place of dozens of victims executed by the communist regime in 1951 without being tried under the pretext of the bomb explosion at the Soviet Embassy in Tirana was discovered on April 20 in Menik village near Tirana.

Here were found the remains of 22 innocent people executed in the dark February night of 1951. It is supposed that over 80 people from far and wide Albania were executed under this pretext.

Different speakers underlined at the ceremony on the occasion that these 22 innocent people were sentenced without being tried and on no legal ground. Soon all the documents will get ready provided with the necessary facts to hold a commemorative meeting to mark all these martyrs and to draft the indictment against the prosecutors of these victims. This is what the Political Prisoners' and Persecuted Association demands. Kurt Kola spoke on behalf of this association.

Zhelev Meets Clinton, Gore in Washington

AU2204195093 Sofia BTA in English 1932 GMT 22 Apr

[Text] Sofia, April 22 (BTA)—The meeting of President Zhelyu Zhelev with U.S. President Bill Clinton was the culmination of the Bulgarian head of state's visit to the United States, the national television's special correspondent Ivan Garelov reported from Washington, D.C.

The meeting was brief but very dynamic. President Zhelev is very popular in the United States, he has many friends and everybody follows with interest his reasonable policy and his efforts to maintain stability and achieve progress in Bulgaria, President Clinton said.

During the session Dr. Zhelev said Bulgaria wanted a further advancement of bilateral relations. President Zhelev familiarized Mr. Clinton with Bulgaria's economic problems and with the reflection of processes in Russia and Yugoslavia on the state of the Bulgarian economy. After a discussion of certain aspects of the Bulgarian economy, President Zhelev observed that this is just the right time to raise the question of Bulgaria joining NATO.

Two hours later, President Zhelev conferred with U.S. Vice President Al Gore. They focused on bilateral relations.

Mr. Gore apologized to Dr. Zhelev for the omission of Bulgaria from the list of countries which saved their Jews in World War II. Vice President Gore assured the Bulgarian President that when he addresses the ceremony marking the opening of the Holocaust Memorial Museum, President Clinton will make a special mention of the credit which Bulgaria takes for the deliverance of the Bulgarian Jews. Satisfied with this turn of affairs, the Bulgarian president reconsidered his decision on the withdrawal of the Bulgarian delegation, and it will attend the museum inauguration ceremony.

In a separate development, the Jewish community in Bulgaria expressed regret over the omission made by the organizers of the ceremony at the Arlington National Cemetery. BTA received a declaration issued by the Shalom Organization of Jews in Bulgaria, deploring the failure to mention this country's contribution to the survival of Bulgarian Jews in the years of the holocaust.

Later in the day, President Zhelev's Press Office received the following fax message from the U.S. Embassy in Sofia:

"The Embassy of the United States deeply regrets the omission of Bulgaria from the list of countries and individuals mentioned as having helped to save the lives of Jewish people in the Second World War during the ceremonies marking the opening of the Holocaust Memorial Museum in Washington on Wednesday. The Embassy is well aware that

thousands of Jewish Bulgarians and their children are alive today because of the courageous stand taken by Bulgaria and individual Bulgarians in 1943, and we repeat our profound respect for these actions in support of human values and against racism.

"The Embassy believes that this omission by the private citizens organizing the event was inadvertent. The Embassy has been assisting the group of citizens who created the Holocaust Memorial Museum to assemble artifacts and records relating to the actions of Bulgaria during the war and knows that these objects are prominently displayed in Washington."

Berov Receives Polish Interior Minister

AU2204190393 Sofia BTA in English 1747 GMT 22 Apr 93

[Text] Sofia, April 22 (BTA)—This morning the ministers of the interior of Bulgaria and Poland—Mr. Viktor Mikhaylov and Mr. Andrzej Milczanowski, signed an agreement on cooperation in combating crime. The agreement provides for the establishment of operative contacts between the services of Bulgaria and Poland and joint operative actions against drug trafficking, car thefts and organized crime.

The delegation of the Polish Ministry of the Interior arrived here yesterday on an official visit at the invitation of Bulgarian Interior Minister Viktor Mikhaylov.

Later today Polish Interior Minister Andrzej Milczanowski was received by Prime Minister Lyuben Berov. Interior Minister Mikhaylov was also present at the meeting. Mr. Berov stressed that combating crime is one of the priorities of the Bulgarian Government and that he believes cooperation between Bulgaria and Poland in this field to be of particular importance, the Press Office of the government announced today.

The period of transition and the geopolitical situation of Bulgaria and Poland have placed these two countries in similar conditions, Interior Minister Milczanowski said. According to him, a great part of the goods smuggled between the East and the West pass through Poland. He explained that Poland is well-aware of the difficulties stemming from Bulgaria's geopolitical situation, especially against the background of the present situation in the Balkans. "We appreciate Bulgaria's careful policy in the Balkans," Interior Minister Milczanowski said.

Prime Minister Berov once again declared Bulgaria's stand of active neutrality in respect to the crisis in the former Yugoslavia. In connection with the ever more complicated situation in Bulgaria's western neighbour, Mr. Berov said that "he is not convinced in the efficiency of a radical military intervention in Bosnia- Hercegovina."

Agreement To Combat Crime Signed

*LD2204190993 Warsaw PAP in English 1830 GMT
22 Apr 93*

[Text] Sofia, April 22—Polish and Bulgarian Interior Ministers Andrzej Milczanowski and Viktor Mikhailov on Thursday signed an agreement on fighting organized crime.

The Polish interior minister, now on a two-day official visit to Bulgaria, held talks with Bulgarian Interior Ministry officials and was received by Prime Minister Luben Berov.

The agreement provides for cooperation in combating terrorism, trading in arms and drug trafficking, prostitute recruitment and in prosecution of particularly serious crimes.

Milczanowski said there was a need to institutionalize relations between Polish and Bulgarian Interior Ministries as Bulgarians placed third, after Russians and Romanians, in illegal migration to Poland. This sphere will be regulated in an agreement on readmission to be signed shortly, he added.

According to director of Milczanowski's secretariat, some 7,000 Bulgarians were apprehended in Poland in 1992 while attempting to illegally cross Polish-German border.

Vice President Dimitrova Returns From Israel

*AU2204203493 Sofia BTA in English 1948 GMT
22 Apr 93*

["Today"—BTA lead]

[Excerpts] Sofia, April 22 (BTA)—A Bulgarian delegation, led by Mrs. Blaga Dimitrova, vice president of the Republic, returned from Israel today. The delegation attended the 15th International Book Fair and the Bulgaria Day at the fair. Mrs. Dimitrova conferred with President Chaim Herzog of Israel.

Even though parliament adjourned its Easter recess expressly for the debate of the 1993 draft national budget, the MP's did not consider this matter today as several standing committees have yet to submit their observations. The National Assembly today passed on second reading amendments to the Code of Criminal Procedure and further chapters of the Copyright Act.

Before proceeding with the business of the day, parliament paid tribute to the memory of the victims of the uprising in the Warsaw Ghetto 50 years ago. "There are people who have a short memory and tend to forget what the Bulgarian people did for the Jews, but nevertheless let us commemorate the dead," National Assembly chairman told parliament.

The Legislative Committee today adopted observations on the 1993 national budget bill. The committee believes some parts of the bill are unconstitutional. The principal

objection concerns the amendments to other laws envisaged in the bill and the introduction of new taxes and taxes and transfer of definite amounts from one unit of territorial administration to another. This means that the country's budget practically cannot exist, according to the Chairman of the Legislative Committee Aleksandur Dzherov.

Sixty-eight bills and resolutions have been considered at plenary sittings of the National Assembly during its previous session, Mr. Yordanov told a press briefing today. He singled out the passage of the national budget as the lawmakers' top priority at this point.

At the same briefing, Mr. Yordanov discussed the campaign that the National Assembly reconsider its last year's resolution and withdraw the Bulgarian military contingent from Cambodia. For the time being, he reserves judgment on the matter as he expects further information from parliamentary envoy Ivan Palchev, who is in Cambodia on a fact-finding mission. Mr. Yordanov said that after the Bulgarian delegation returns, parliament must act on the numerous letters from mothers of Bulgarian peacekeepers.

Last year's resolution was voted after a thoroughgoing debate and concerns Bulgaria's participation in UN peacekeeping operations at large and the commitment of a troop contingent to Cambodia in particular, Mr. Yordanov recalled. More than 150 MP's voted in favour of the resolution.

The Council of Ministers today endorsed Kiril Bluskov as regional governor of Ruse and Grigor Stankov as regional vice governor of Plovdiv, the government Press Office said. The two nominations were put forward by the Bulgarian Socialist Party.

Dr. Konstantin Trenchev, leader of the influential Podkrepa Labour Confederation, denied that Podkrepa had anything to do with the dismissals and appointments of regional governors. He added that the confederation was concerned by the attempts to insinuate that it was involved in the personnel decisions of the government which alone bears responsibility for the dismissals and appointments. [passage omitted]

The people of Sandanski (southwestern Bulgaria) today welcomed guests from the town of Struga (Republic of Macedonia) led by the mayor of the town Mr. Jose Domozetovski, who arrived to sign an agreement on friendship and cultural cooperation between the two towns. The people of Sandanski and Struga share a willingness to extend these contacts to the field of business. [passage omitted]

The basic purpose for which the Bulgarian Information Union has been formed is to defend and assert independent Bulgarian publishers and distributors, Mr. Petyo Bluskov, chairman of the union's Governing Board and president of the 168 HOURS Ltd. Press Group, told a

news conference today. The founding members of the union include the Press Groups TRUD, KONTINENT, RUBICON etc.

Hoteliery and tourist industry executives are holding their first national meeting in Bulgaria's second largest city of Plovdiv, the local BTA correspondent reported. They will discuss the travel market, prices, taxes and other pressing problems. The imposition of ever higher taxes on tourism curtails the companies' renovation and growth potentials, according to participants in the forum. [passage omitted]

Cabinet Approves New Electricity Prices

*AU2204143993 Sofia BTA in English 1404 GMT
22 Apr 93*

[Text] Sofia, April 22 (BTA)—The Council of Ministers approved today the new prices of electricity and central heating proposed by the Power Engineering Committee. As of May 1 the price of electricity for household needs will go up by 50 percent and 1 kwh will cost 0.66 leva during the day and 0.35 leva in the off-peak hours. The price of electricity for production and economic needs will go up by 5.5 percent.

The price of central heating will go up 135 percent for economic and commercial needs, 68.3 percent for hospitals, schools and kindergartens and 60 percent for household needs. The retail price of coal will go up by 30 percent.

The rise in the prices of electricity and central heating was planned already last autumn by the cabinet of Filip Dimitrov. The IMF and the World Bank are also insisting on a gradual rise in the prices of energy sources which should draw level with the international ones by the end of this year. In February the government raised the prices of petrol almost two-fold.

Yesterday the National Council for Tripartite Cooperation discussed and approved the new prices of electricity and central heating. Under the agreement signed in March with the government, the incomes of the population will be updated 90 percent of the actual inflation in the second quarter of this year, i.e. as of July 1. The trade unions insisted that the prices remain unchanged till the

next autumn-winter season but the government did not undertake such a commitment. According to the Power Engineering Committee, there may be a new, 15 percent rise in prices in September.

The government has estimated the expected inflation as a result of the rise in prices at 5.32 percent, while trade union experts expect it to be almost 8 percent.

Trade Unions Oppose Decision

*AU2204185293 Sofia BTA in English 1820 GMT
22 Apr 93*

[Excerpts] Sofia, April 22 (BTA)—The Council of Ministers approved today the new prices of electricity and central heating proposed by the Power Engineering Committee. [passage omitted]

However, tonight the two major trade union amalgamations in Bulgaria declared that they do not commit themselves to the decision of the government to raise the prices of electricity.

"Today the government did not accept the justified proposals coordinated at the National Council for Tripartite Cooperation that there should be no new rises in these prices till the end of the next, 1993-1994 heating period and that the Power Engineering Committee should take measures for improving the structure of production and for decreasing expenditures so as to avoid a new rise in prices by 15 percent as of September 1, an announcement of the Press Office of the Confederation of Independent Trade Unions in Bulgaria (KNSB) reads. The KNSB will not admit the solving of the economic and financial problems of power engineering through raising prices, i.e. at the expense of the population.

"We do not commit ourselves to the decision of the government on the new prices of electricity though we supported the proposal for a 50 percent rise in prices as of May 1, said Mr. Radoslav Nenov of the Podkrepa Labour Confederation at a press conference today. He explained that this stand of Podkrepa was dictated by the fact that the Council of Ministers has failed to include in its decision the condition set by the Tripartite Council i.e. that there will be no new rise in these prices till the end of the next heating season—i.e. till May 1994.

Havel Ends U.S. Visit After Talks With Gore

LD2304073193 Prague CTK in English 0609 GMT
23 Apr 93

[Excerpts] Washington April 23 (CTK correspondent)—Czech-U.S. cooperation in environmental protection was discussed by Czech President Vaclav Havel and U.S. Vice-President Al Gore in Washington on Thursday.

Havel said he had chosen the topic also because Gore was the author of a book on the environment. I also discussed the topic on Wednesday with (U.S.) Assistant Secretary of State Tim Wirth, who is in charge of this field, Havel said.

The construction of the nuclear power plant at Temelin, south Bohemia, was taken up in neither of the two meetings because it was discussed in the meeting with President Bill Clinton on Wednesday, Havel said. [passage omitted]

Late last night Havel ended his three-day visit to the USA during which he met with Clinton, U.S. congressmen and other U.S. officials. He also attended the dedication of the Holocaust Museum in Washington on Thursday.

Zieleniec Favors Close Cooperation With Germany

LD2304094193 Prague Radiozurnal Radio Network in Czech 0900 GMT 23 Apr 93

[Text] Czech Minister of Foreign Affairs Josef Zieleniec is in favor of the closest possible cooperation with Germany and Austria. In an interview for DER TAGESSPIEGEL, he says that in our relations with Bonn we have to overcome the trauma from the time of the second world war by openly exchanging views. He also says that the relations between the Czech and Slovak republics will remain close. He added that our biggest problem is the common border, which should not separate the two nations more than is absolutely necessary. However, because of illegal migration it is necessary to strictly control the movement of people.

In his reply to a question on whether or not the Czech Republic is trying to have too close ties with the West, Minister Zieleniec says that our foreign policy strategy is also toward the East. He stresses that we ourselves must create prerequisites for our integration into the European Community, such as a healthy economy and a stable democracy.

DSP Club To Prepare for CSSD Membership

AU2204133493 Prague LIDOVE NOVINY in Czech
21 Apr 93 p 3

["woll"-signed report: "Interest in Transferring to the Social Democrats"]

[Text] Prague—Democratic Labor Party [DSP] Spokesman Stanislav Krecek announced at a Czech Social Democratic Party [CSSD] news conference that a

social democratically orientated club, which should agree on the principles for its members' gradual incorporation into the CSSD, was formed within the DSP on Monday [19 April]. According to Krecek, half the DSP leadership is represented in this club, including Chairman Petr Wurm. Milos Zeman described the "non-communist DSP wing" as a natural element of social democracy. However, Zeman considers Vasil Mohorita and his supporters to be unacceptable to the CSSD on principle. Following Thursday's [15 April] meeting with Association of Social Democrats Chairman Rudolf Battek, the CSSD chairman decided to recommend the party's Central Executive Committee to revoke Battek's expulsion from the CSSD.

CNB Report Reviews 1992 Fiscal Performance

AU2204130593 Prague CTK in English 1553 GMT
20 Apr 93

[Text] Prague April 20 (CTK)—Last year's privatisation efforts not only in the Czech Republic but also in federal Czechoslovakia were recapitulated today by the Czech National Bank (CNB) which issued a report on the overall 1992 fiscal performance.

The report says that property worth 299 million crowns (10.9 billion USD) was included in the first wave of (federal) large privatisation, 93 percent of which was actually transferred into private hands.

Out of 1,491 joint-stock companies assigned to privatisation in that period, approximately 20 percent (291) were sold outright.

The report adds that the administrators of the large privatisation income, the Czech and Slovak Funds of National Property, earned 26.8 billion crowns (957 million USD) and 6.6 billion crowns (236 million USD) respectively.

Small privatisation efforts resulted in the sale of 32,000 various (small) business operations last year, bringing in about 46 billion crowns (1.64 billion USD) and the process was more or less concluded.

The CNB report also includes last year's Czechoslovak foreign trade performance. It states that the country's foreign trade deficit reached 1.87 billion USD last year. While exports increased 35.2 percent over the previous year, imports grew 46.3 percent.

Furthermore, exports and imports to and from market economies rose 21 and 26 percent respectively. However, trade with non-market economies dropped by 36 percent and 14 percent respectively.

The report adds that the composition of Czechoslovak exports showed a decline among higher technological goods which were replaced by less sophisticated products.

Imports of machinery, transportation technology and fossil fuels increased enormously last year, the report says.

Minister Dyba Outlines Economic Performance

AU2204130193 Prague CTK in English 2104 GMT
20 Apr 93

[Text] Prague April 20 (CTK)—At the opening of a new session of the Czech Chamber of Deputies (parliament), Economics Minister Karel Dyba presented a report outlining the performance of the Czech Republic's economy for the last year.

Among the highlights Dyba read to the legislature are:

The Czech economy was afflicted by the process of division of Czechoslovakia in the second half of 1992. This was accompanied by high expectations of the end to the economic downturn in the West and an increase of Czech exports. Obviously, that has not happened, Dyba said. The trade situation on the former primary partner, the one-time COMECON countries, continued to decline as well.

The government's effort to maintain macroeconomic stability while reducing restrictive policies was successful last year, Dyba said. Monetary policy has been shifted into the hands of the Czech National Bank, today a fully independent agency. The government considers this to be the basis of proper economic evolution, the minister stressed.

The Czech economy displayed more positive indicators than negative ones last year. Dyba mentioned price policy, which approached western practice since over 95 percent of prices were no longer regulated. The inflation rate (11.1 percent) stayed below 12 percent, the lowest limit targeted by the government.

The employment rate surprised government economists as well. They expected 6 to 7 percent while the final rate was a mere 2.57 percent, comprising of 135,000 unemployed. However, this may be still closely related to chronic pre-privatisation redundancy, Dyba added.

The gross domestic product declined 7.1 percent in constant prices last year. In the second half the decline was halted and some signs of a growth appeared, Dyba emphasised.

Principally, the construction industry experienced growth, over 20 percent compared to the previous year, fuelled mainly by small building companies, Dyba noted.

Efficiency and the supply in retail and service industry also increased which was reflected by an almost 20 percent rise of retail sales volume, the minister remarked.

The revitalisation of foreign investment and private sector brought about higher demand for investment

which increased by 5 to 10 percent. In general, Dyba said, the private sector has become a decisive carrier of positive trends on the microeconomic level.

Dyba cited figures from the private sector's contribution by particular branch, by general industry 14.7 percent, by construction 46 percent, by retailing 66 percent, by highway freight 36 percent and by farming 9.4 percent at year's end.

Nominal income of the public rose by 18 percent over the previous year, real income by 6.3 percent and the average real wage by 9.7 percent.

Dyba explained that even though agricultural production declined again last year in comparison to 1991 by 12 percent, it was still searching for its optimal level. He noted that losses by Czech agriculture for last year were 12 billion crowns, equivalent to 436 million USD.

Dyba's report spoke of continuing efforts by many state enterprise managers to maintain the status quo, still forcing the impoverished government to be responsible for incurred debts. That prevents restoration of good financial relations between all enterprises. Despite this, Dyba said, secondary insolvency of enterprises was reduced by 16 billion crowns, equivalent of 574 million USD. The overall insolvency amounted to approximately 95 billion crowns, equivalent of 3.4 billion USD, thus forming one of the biggest obstacles of successful economic progress during this year.

The legislature has scheduled the report for discussion on Wednesday [21 April].

Report on Debates in Chamber of Deputies

LD2104183793 Prague Radiozurnal Radio Network in
Czech 1400 GMT 21 Apr 93

[Report by Daniel Takac]

[Text] The eighth session of the Chamber of Deputies continues in Prague today.

Deputies first voted on a draft resolution which emerged from this morning's debate on the report on the state of the national economy of the Czech Republic. The majority of them were not approved by the chamber, including the proposal put forward by Ota Fejfar, a Civic Democratic Party deputy, according to which the parliament would take note of the report. Deputies merely endorsed a recommendation that the chamber's Economic and Budgetary Committee should monitor by direct parliamentary supervision the course of privatization. Karel Ledvinka, vice chairman of the chamber, merely noted in conclusion that the report was debated by the parliament.

Deputies are currently debating another report on the utilization of the Ralsko-Mlada military area, which was presented by Minister of Economy Karel Dyba yesterday. Representatives of the opposition parties have been pointing out that mere general declarations have

been prevailing in regard to the proposed existing solution. They have been inquiring about the financial backing of the project by the Waldstein company. Frantisek Trnka, deputy for the Liberal Social Union, recalled historical facts connected with the area under discussion. According to Jiri Hajek, a Left Block deputy, the key problem is the manner of utilizing the airport at Hradcany. Josef Wagner, a Czech Social Democrat deputy, declared that if there is something harmful in the project, the Czech Republic has institutions that protect it. He proposed that Stanislav Devaty, the acting director of the security and information service, be invited to provide necessary information. The chamber failed to approve this proposal, and Josef Wagner deduced from it that some important information exists. He described the coalition deputies as untrustworthy.

Figures on Improving Employment Conditions

AU2104184193 Prague HOSPODARSKE NOVINY in Czech 20 Apr 93 p 8

["fo"-signed report: "Unemployment in the Czech Republic in March"]

[Text] Unemployment continued to decline in the Czech Republic in March. On 31 March 1993, labor offices registered 151,570 job seekers, which is a decline representing 4,600 people against the level at the end of February. In March, almost the same number of people registered themselves as job seekers as in February (29,800 people). In March, however, the number of those who were taken out of the files increased by 34,400 more than in February. Of this number, the labor offices found jobs for 11,700 people, and 13,500 people were able to find jobs on their own. A total of 3,800 people were taken out of the files because they violated the rules for cooperation. The remaining number (5,400) were removed for other reasons (maternity leave, military service, retirement, natural decline [prirozeny ubytek], or temporary deregistration because they were hired for work considered beneficial to public).

The growth of unemployment was only recorded in 18 districts. However, they are statistically unimportant increases, particularly in the districts of the former Central Bohemian region. This was the only region in which unemployment rose slightly. From this point of view, only the Most region is worth mentioning, where the number of job seekers rose 12 percent.

A relatively high decline in unemployment was registered in the districts Usti nad Orlici (18.6 percent), Benesov (15.5 percent), Plzen-south (14.5 percent), Prostějov (14.4 percent), Plzen-north (13.7 percent), and Pelhrimov (12.3 percent).

Labor offices provided unemployment benefits to 71,200 people—that is, 46.9 percent of the total number of registered unemployed people.

By the end of March 1993, 3,300 job applicants were undergoing retraining programs—of this, 2,600 people were receiving unemployment benefits.

The unemployment rate was between 0.35 percent in Prague and 6.97 percent in Znojmo and reached 2.88 percent in the Czech Republic.

The decline in the unemployment rate was not accompanied by a decline in vacant positions. On 31 March 1993, the labor offices registered 73,100 vacant positions—of this, 54,600 positions were positions for workers and 18,500 positions were for other categories. There were two applicants per one vacant position in the Czech Republic. The unfavorable situation of jobs for handicapped people improved slightly. On the average, there were 8.7 applicants per one vacant position for handicapped people. Apart from that, 321 jobs were created for these people in special workshops and workplaces.

Within the framework of an active employment policy, 2,800 socially useful jobs and 1,200 jobs for school graduates and young people with basic education were designed for those people to acquire experience. Moreover, 3,400 publicly beneficial jobs were created, for which applicants without qualifications are usually hired.

President Kovac Comments on NATO

AU2204135593 Bratislava REPUBLIKA in Slovak
21 Apr 93 p 5

[TA SR report: "The Slovak President's Interview for the Icelandic Press"]

[Text] Reykjavik—"We fully support the NATO countries' attempt to resolve the crisis in Yugoslavia. I think the initial hesitation at the start of the conflict in the former Yugoslavia has precipitated today's situation. It is necessary to consolidate the efforts of all countries to resolve this crisis." Slovak President Michal Kovac made this statement to representatives of the Icelandic press during a stopover in Reykjavik en route to Washington.

"We originally thought it would take us five years to integrate ourselves into European structures. However, our economic problems are more serious than they seemed at the beginning, not only in the Slovak Republic, but in all the post-communist countries. A more realistic estimate for Slovakia's integration is now 10 years," said the Slovak president.

It would be a great pity if, instead of an iron curtain, an economic curtain were now lowered against the countries of Central and Eastern Europe. Each division of Europe has reduced or endangered the security of the whole continent; we have experience of this," said President Kovac in an interview for Icelandic Television.

Kovac Meets With U.S. Officials in Washington

LD2304072393 Prague CTK in English 0648 GMT
23 Apr 93

[Text] Washington April 23 (CTK)— Slovak President Michal Kovac expressed the wish of the Slovak Republic to join NATO and to participate in western organisations, in a meeting with U.S. Secretary of Defence Les Aspin in Washington on Thursday.

Director of Foreign Policy Department of the Slovak Presidents Office Pavol Demes called the meeting crucial.

Kovac also held talks with Secretary of the Treasury Lloyd Bentsen, leader of the Democratic Party in Senate George Mitchell and Senator Claiborn Pell, former U.S. consul-general in Slovakia.

Kovac asked for assistance in finding out the names of the U.S. soldiers who fought in the Slovak national uprising (anti-nazi rebellion in 1944). Next year, Slovakia is to commemorate its 50th anniversary, and Kovac invited U.S. President Bill Clinton to attend the celebrations. He thanked for the training of Slovak military experts and voiced the wish to continue it.

The two countries are about to create a joint commission, consisting of experts from the Pentagon, and the

Slovak defence and foreign ministries. The commissions task is to look for joint programmes and to improve mutual communication.

Kovac spoke with Bentsen and Mitchell about the Slovak economic reform. He stressed that Slovakia was firmly set on transition to market economy, but ways must be found how to attain it, Demes said.

Prime Minister Addresses National Council

LD2204133393 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 0715 GMT 22 Apr 93

[Address by Prime Minister Vladimir Meciar to the National Council in Bratislava—live]

[Excerpts] Esteemed Chairman, esteemed National Council of the Slovak Republic, ladies and gentlemen:

The opening speech on the documents in hand will be a lengthy one, and this is why I offer my apologies. Nonetheless, I regard it as essential to explain both to you and to the citizens of the Slovak Republic certain strategic intentions in the field of economic reform, social relations, and other socially important factors of the Slovak Republic. [passage omitted]

The proposal by the National Council of the Slovak Republic and their motion requesting a presentation of an updated policy statement is fully justified. We have to take into account that certain substantial changes have taken place while the the original policy was being shaped.

The basic and first such change is the existence of the Slovak Republic as a state. The second is sobering up from notions about the possibilities of transition from socialism to a society based on political pluralism and a socially and economically orientated market economy by way of leaps and shocks. There is a necessity to determine the stage in which we are finding ourselves. Third, the economic recession that we have inherited, and which is today deeper than in the thirties, confirms a further crisis of the Slovak Republic's economy. Fourth, there now exists the necessity to bring about changes in social relations within our society. The globalization of social changes in Europe and the world has caused new aspects to emerge to which the Slovak Republic must react, since it itself forms a part of it and lies on the border of the rich West and the poor East, on the border of an orderly world and a chaotic one, and it will decide itself where it will be. Sixth [as heard], the government and parliament have a joint responsibility for development in the Slovak Republic. Although their respective spheres of influence are divided, the responsibility is a joint one. The degree of this responsibility is determined by the outcome of the elections. Citizens do not have other constitutional representatives who would be able to fulfill their plans. The seventh point is that the government's policy statement, which we approved in the past, was arranged on a broad basis in order to enable the government to react in an uncertain situation.

The basic part of the policy statement—the coming into existence of the Slovak Republic as a sovereign state and as a subject of international law—was fulfilled. The manner in which it was achieved was recognized by the whole world. There was no Balkan situation here; we did not sow hatred between Czechs and Slovaks. On the contrary, we sought conditions and ways of being able to continue to live in good relations. It is important to stress this aspect since it appeared during debates in the National Council's committees as if that fact did not happen. On the contrary, it was dominant in the government's activity.

The coming into being of the Slovak state itself was conditioned both by objective and subjective conditions. The change in geopolitical relations in Europe and the world at large has led to the collapse of composite states in the entire eastern region. The internal maturity, the degree of national, citizen, and economic development of the Slovak Republic, was such that it markedly differentiated Slovakia's relations with the Czech Republic. There existed political parties capable and willing to accomplish this process. They acquired their mandate legitimately in democratic elections.

This process of emergence was also accompanied by certain negative phenomena. [passage omitted] Despite these, the government mastered its tasks. [passage omitted]

We have to consider that our state was created under auspicious international-political conditions, but its realization takes place in the conditions of economic decline and recession. But the state does exist; it does fulfill its role, both externally and within.

We waited for this opportunity for 1,000 years, 1,000 years of oppression and discord. I want to tell all those who wish to take vengeance on the government for 1 January 1993 [the establishment of the Slovak Republic], all adventurers who do not understand the way history works, that should we lose this state, then the waves of European developments will swallow us just as they swallowed the Lusatian Serbs [in Germany]. Such are the imperatives demanding the protection and continuation both of our national identity and further development within the framework of an ever-closer European integration. [passage omitted]

The Slovak Republic seeks guarantees of its security in Europe. It sees the guarantee of its security as equal guarantees for all because our security is a part of the security of all. In this we rely on our own forces as well as on forging new international relations, on cooperation and good relations with all states, on the existence of NATO, and on respecting developments east of our border.

I would like to point out that during my visit to Moscow, I told Mr. Yeltsin about the fears regarding the impact of Slovakia's possible interest in joining NATO on our relations with Russia. He said, literally: We are not pursuing an imperialist policy. If that is what you want,

we are happy. When he asked me about our notion of security, I told him: The security of all, from the Atlantic to the Urals and, perhaps, beyond. [passage omitted]

In the internal sphere, the state concentrates above all on the stability of the political system. We consider it important to carry out a revision of all existing laws adopted by the federation, regarding the rights of citizens and their political liberties in such a manner that the democratic position of the citizen within the political system is defined in a new and clearer way.

In this sphere it is necessary to adopt new laws that will enable citizens to take an active part in politics not only during the elections but also to control and influence it between elections. The citizen cannot be a passive observer doomed to mere voting in the elections.

With regard to laws on political parties, we deem it necessary to revise them and adopt new ones. We do not wish to see political parties in Slovakia ravaged by corruption scandals in the same way West European parties are. It is necessary to adopt realistic and consistent legislation both on financial management and on political parties that should be independent of the state. [passage omitted]

The question of the status of minorities in the Slovak Republic is a very important part of the country's political stability. The very process of our integration into the Council of Europe and other such institutions that the government is endeavoring to achieve and that it supports systematically has led to minorities being given international guarantees as to their status, apart from internal state ones, as well as to the acceptance of international rules governing such status. We apply and will enforce the principle of equality of all citizens. There are no second-class citizens in our country. We only have citizens of the Slovak Republic. At the same time belonging to a national minority is a reason for protecting those rights that confirm and preserve their uniqueness and identity. The government deems it necessary to restate that it will accept all norms of international law regulating the status of minorities. The government is willing to deal with questions regarding the amendment of the law on family names; it is willing to enter immediately into a business-like dialogue with all national minorities living in Slovakia, including the Romany. The protection of the rights and status of minorities is one of the important priority tasks of the government.

The aim of the economic policy of the Slovak Republic is to approach the level of advanced market economies and on this basis to secure the further development of the economy of the Slovak Republic in line with worldwide development trends. In implementing these prerequisites, the Slovak Republic as a sovereign and independent state is transforming itself into a pluralistic democratic system economically based on the socially and ecologically orientated market system. Only such a long-term concept will enable the Slovak Republic to join the

ranks of stabilized and prosperous states of the EC and thereby effectively join in the world division of labor. [passage omitted]

The Slovak Republic must orientate itself economically toward both the West and the East. The endeavor to keep a grip on the already achieved positions on Western markets must be complemented by the extensive markets of Ukraine and Russia, which at this time represent the only realistic source for fuel and energy for the economy of the Slovak Republic. Cooperation with East Asian countries, especially with China and Japan, has a long-term future economically. Cooperation with our neighboring countries and principally with the Czech Republic, with which our economy is tied by extensive technological and production sharing ties and the specialization in the range of consumer goods, including food, has a special position in our economy. Mutual economic relations with the Czech Republic must, however, be shaped in such a way so as to ensure that the existing structure is not conserved, a structure that corresponds more to the requirements of the Czech Republic than the Slovak Republic. From this viewpoint it will be necessary to promote gradual changes that will contribute to the shaping of a new structure that would correspond to the more effective development of the economy of the Slovak Republic and which will prevent the difficulties of the Czech economy from being transferred to the economy of the Slovak Republic. This aim calls for the setting of macroeconomic frameworks that will enable us to implement gradually steps aimed at doing away with present difficulties and obstacles but which will not run counter to the chosen aim of the long-term horizon of our economy. It is necessary to regard an endeavor aimed at stabilizing and restoring the dynamism of our economy and the maintenance of social peace as basic macroeconomic frameworks for the period immediately ahead but also our strategic aim. The maintenance of the above mentioned basic macroeconomic frameworks requires:

1. To move gradually from the widely applied restrictive monetary and budgetary policy to a neutral type, and after economic decline has been halted to progress to an expansive monetary and budgetary policy that would be implemented selectively in the interest of supporting effective impulses that will contribute to a further revival and development of our economy.

2. To maintain the stability of our currency by way of orientating our exports on solvent markets, especially those with convertible currencies; to apply temporarily selective measures in order to achieve an active balance in our foreign trade and the balance of payment.

3. In order to strengthen currency reserves, to temporarily adopt measures to purchase currencies above the limit set by the National Bank of Slovakia; to seek innovative forms that would favor holders of currency deposits, for instance by freeing interest yields from taxation.

4. To maintain a socially tolerable level of employment.

5. Not to allow an uncontrolled increase in prices as a result of the application of the Value Added Tax, liberalization of the prices of other commodities, public utilities, electricity, gas, coal, and the like.

6. To strive to achieve a balanced state budget.

7. To ensure self-sufficiency in basic foodstuffs.

8. To continue the process of privatization in the interest of increasing the proportion of the private sector in such a way so as to ensure that that sector achieves a dominant position in the gross national product in the near future.

9. In the interest of strengthening the private sector and speeding up the process of privatization, to create prerequisites for the entry of foreign capital.

10. To create prerequisites for the revival of the economy, especially by resolving the problem of insolvencies. Thus formulated, basic macroeconomic frameworks are creating room for seeking (?ways) of implementing specific steps in the interest of reviving the economy.

The restrictive blanket monetary and budgetary policy has led to the reduction of money in circulation and caused difficulties in the economy. It has upset economic relations between economic subjects, exchange of goods and services, and finally has led to insolvencies. [passage omitted] In our view, state budget revenues would be larger if money were cheaper and if credits were more available to a broader range of companies.

In the effort to reorientate the direction of our exports, we must not lose sight of the fact that eastern markets have a long-term future for our economy. This is why it is desirable for enterprises to maintain ready contacts with customers in the CIS markets and to carry out exports on the basis of barter.

To ensure the stability of our currency, it is necessary to make use of the privatization process by selling a portion of shares, or indeed whole enterprises, for convertible currency. To maintain socially tolerable employment, it is necessary to use tools to support the creation of new vacancies, mainly by giving support to small and medium companies and by organizing public work. [passage omitted]

The current trend toward a further deepening of the economic decline poses a danger that the limits of social tolerance will be exceeded. One can regard the limit of social tolerance to be when there is between 15 and 20 percent of unemployment, 25 percent of families have incomes approaching the living minimum, and when the difference between nominal and real incomes exceeds more than 20 percent.

It is only the revival of the economy that can prevent this development. The first step toward this objective is the

reduction and elimination of corporate insolvency. The government, the banks, and the National Assets Fund must find a way of writing off debts of organizations that have good prospects and that can hope that their output can be sold, companies with relatively high efficiency and the capacity to sustain employment. The solving of the majority of economic problems is linked to the progress of privatization. The Slovak Republic economy is in a deep recession at the present time. [passage omitted]

The process of economic transformation has further deepened the hitherto negative development. Furthermore, the incorrectly chosen reform measures led to a deep decline. The 26-percent drop in gross national income characterizes the existing negative development. Consumer prices have grown by 148.3 percent and unemployment is revolving around 11.8 percent. The state budget deficit amounted to 10.2 billion [currency not specified] in 1991 and the 1992 budget deficit will be a little lower. The drop in labor productivity is continuing. The present level of our labor productivity amounts to 30 percent of the productivity of labor in West European economies. High socially oriented employment is maintained in an effort to avert social conflicts.

Recession and crisis in some states neighboring the Slovak Republic, which have strong economic ties with the Slovak economy, are exerting a negative influence on the development of the Slovak Republic's economy. Their difficulties are being transferred to our country, where they are generating a huge maze of negative relations. The negative features of the Slovak Republic's economy are manifested chiefly in the drop of purchasing power, which is a result of the stagnation of peoples' incomes and of the growth of expenditure on items affected by price increases. It is also manifested by the growth of prices of basic needs, especially food, by the increase of volume of savings, which is a process of creating social reserves in households, by the break up of retail trade network which is a consequence of uncoordinated process of small privatization, and by unpreparedness of industrial companies for marketing their output.

There was a considerable drop in the demand for indigenously made goods and, as a consequence, the production of these goods also declined. [passage omitted]

If we fail to bring indigenously made goods back to the retail trade network, there will be a further drop of industrial output and services in 1993. The consumer price index will go up by roughly 17 percent, as a result of tax changes, material and wages costs, and expected (?payments). The difficulties related to the implementation of the new tax system could cause a drop in state budget revenues. This would reduce the budget's ability to support economic stability and revival. The growth of the state budget deficit will upset the basic macroeconomic framework of the economy and will prevent us from implementing a slightly more ambitious budgetary

policy aimed at economic revival. Increasing the proportion of debt in the gross national income will make it more difficult to direct the economy toward development and will also make it difficult to reduce interest rates in conjunction with the need to influence inflation. [passage omitted]

Foreign trade relations, despite an overall drop, have showed positive tendencies in that we have succeeded in selling the majority of production to developed and solvent markets. The situation in imports, where we have witnessed a rapid drop in new technologies, is less satisfactory. The vast majority of imports concerns fuel-energy sources from Russia. Exports to the Russian, and also Ukrainian, market are strongly influenced by the insolvency of buyers. Despite that, contacts with Eastern markets must be considered a part of the strategic goal of the economic policy of the Slovak Republic. [passage omitted]

The technological economic standards of the means of production are characterized by the following figures: The average wear of machinery and equipment in Slovakia amounts to 57.4 percent, while in industry and construction the averages are worse. The average age of machinery and equipment greatly exceeds the average standards of developed national economies. [passage omitted]

The transformation of the Slovak Republic's economy is part of a much broader process than is the transformation of the former Soviet block. Apart from the undoubtedly specific problems of the transformation of Central and Eastern Europe, there is also a worldwide transformation process going on. [passage omitted]

The unexpectedly deep recession in Eastern Europe and the need for a stabilization development policy has many internal causes. The transition from a planned to a market economy is harsher and longer than was expected originally. One of the reasons for this is that experiences from the Third World were applied to the post-socialist countries. This has shown to have been too harsh for Eastern Europe, and on the whole not corresponding to its specific situation. On the whole, this is the case of correcting the original notion about the rapid development of the common European house arising from the prerequisite that the successful formula—democracy plus market economy equals economic prosperity—can also be used fully in the conditions of the post-socialist countries. The outlook for a parallel development of political democracy and economic progress in the post-socialist countries are therefore not clear and experiences from it differ widely. On the whole the following applies: The greater democratic traditions are and the more thorough experiences are with the market, the less complicated and slower will be the transition to the new system. [passage omitted]

At the geopolitical level, rich Western countries realize the need to extend a helping hand to the post-socialist countries. In practice this usually only results with calls

to extend such assistance. The collapse of the Eastern bloc appears to West Europeans rather as a reason for dissatisfaction than for glorying in victory. There is not a sufficient amount of excess capital in the West to support the transformation. [passage omitted] Apart from the restricted opportunities, assistance to the East is also complicated by some contradictions in the West's policy concept. The West wants to support democracy and the market economy. At the same time it wants to maintain political stability. [passage omitted] The West's assistance is relative because of its restricted resources and the need to tackle the problems of worldwide depression. From this the necessity arises to seek internal resources or external ones such as, for instance, close cooperation with the countries of Eastern Europe whether on a regional or other principle of mutual belonging. Slovakia is at present a part of a region that forms a kind of buffer zone between the very rich and the very poor. [passage omitted] Without increased effort, we could easily find ourselves among the poor. Only inventiveness and maximum effort will enable us to join the ranks of the rich. History provides various examples. The Slovak Republic faces a dilemma: yes or no.

It would appear that the Czech political representation realized this reality even earlier, and this is why it strove to bring about an unequivocal division of the state. The task remains for us to make maximum use of this fateful inevitability for the benefit of the prosperity of individuals and the whole society. From this arises the necessity to see the West's attitude to our region as being no more than pragmatic. This is why it is in the interests of the Slovak Republic to seek ways of stimulating the West's pragmatic interest in the Slovak Republic.

At the Visegrad [Czech Republic, Slovakia, Hungary, Poland] summit in London, the EC made it clear that our countries should focus on cultivating mutual economic relations. The economic policy which, through stabilization of the economy within the East European market heads in this direction, is a realistic policy. It is likely that the Czech Republic will be rejecting, or rather braking, this alternative in the first stage. It will justify this move by saying that it already belongs to the EC, but that the EC is not ready to admit it yet.

We also need to aim at the survey and development of other East European markets. In order to ensure success of the political, economic, state, and legal transformation of the Slovak Republic, the state and political interest of the Slovak Republic dictates that we assign prime importance to dividing strategic aims of our economic policy into chronological stages so that the unavoidable political and social consensus in society is attained.

We will have to work out a system of criteria and priorities to ensure that the course of transformation is comprehensive.

Transformation processes should be understood in specific rather than in general terms. This means that the

political context of the Slovak Republic, the present state of the economy, democratic traditions, the level of people's education, and so on must be taken into consideration. Applying the experience of the transformation of developing countries right across the board to specific conditions of post-socialist countries, which the International Monetary Fund keeps pushing for, is incorrect. When deciding between the so-called shock therapy and a gradual transfer to a market economy, preference should be given to a step-by-step transformation, which would take into consideration social aspects and which should be regulated by the state. No other form will be able to prevent an uncontrolled social motion generated by errors in the transformation strategy that ensue from the lack of understanding of the role of continuity and discontinuity in the process of transfer from the centrally planned market economy.

The aim of the Slovak Republic's economic policy is to implement the state and political interests of the Slovak Republic. Getting closer to the level of advanced market economies is only possible by renewing the dynamics of our own economy. If the current deeply depressed state of the economy is to be changed, all natural, economic, and intellectual forces in the Slovak Republic need to be mobilized. The existing state of the economy is not the product of the latest economic policy measures. It is the product of negative trends that were pushed through over a long time because of the bad economic policy of the last decades.

The implementation of the economic reform scenario that has set as its aim the transformation of a centrally planned economy to a market one, through its wrongly chosen moves and erroneous political decisions, has deepened the recession, resulting in the Slovak economy falling ever deeper to a socially acceptable level [as heard], instead of halting the economic decline.

The way out of the current complex situation cannot be found in any revolutionary measure or step. Economic policy must gradually implement such measures that will halt the economic decline and later enable the economy to develop. The recession and depression have been deepened gradually by a blanket application of restrictive monetary and budgetary policy. Therefore, the way out is in changing the application of the monetary and budgetary policy. The purpose of the restrictive monetary policy was to prevent inflationary pressures. This has been partly successful. However, at the same time, the elements of economic development have been suppressed.

The reduction of the amount of money in circulation and the wrong implementation of devaluation have led to the indebtedness of economic entities and their subsequent insolvency, which gradually paralyzed the economy. The way out of this must be in the slowing down of the process of restructuring, in implementing a neutral monetary and budgetary policy, and in gradually turning them toward policies of economic growth. The key problem for implementing the change of economic

policy is to find the means for increasing credit resources and the government taking an active part in financing development projects. [passage omitted]

In the interest of reducing our dependence on foreign fuel and energy sources, it is necessary to complete unfinished energy projects and to make use, for this purpose, of offers of foreign capital for financing investment costs. With regard to supplies of crude oil and gas, it will be necessary to seek alternative solutions and thus reduce our one-sided dependence on resources from Russia. It is necessary to regard energy savings as our biggest resource and take rational measures to increase savings.

The high proportion of heavy industry, by its consumption of material and energy, puts a heavy burden on the economy. It is necessary to make use of this industry's relatively high technological and economic standard to acquire resources for broadening their range of final production, especially in those branches that are capable now of competing on demanding markets. [passage omitted]

Industry demands an extensive restructurization, which must be fashioned from below. [passage omitted] Any changes in the structure of industry in the transformational period must preserve the continuity of the economic system and make use of all positive things to create resources for further development.

Upsetting the continuity in the economy is always linked to wasting existing resources. The notion that restructuring could be carried out only on the principle of the working of market forces automatically is an illusion and untruth. The economic center must play an active role here. [passage omitted]

The fundamental task of economic policy in the sphere of agriculture is to adopt measures to consolidate the situation in order to secure standard food for our population.

It is necessary to tackle in a comprehensive way mutual economic links between primary producers, those in the sphere of the processing industry, and those in trade with the aim of achieving their equal share in the economic yield of these activities. [passage omitted]

It is necessary to increase the proportion of employees educated at a university level and to gradually reach the level of developed countries; to increase the proportion of both private and Church schools; and to make increasing use of various forms of sponsorship and funds to cover the cost of the education system.

The transformation of our economy to market conditions at first assumed the form of a steep decline in investment activities—with many manifestations of a negative impact on our entire economy reflected in the decline of efficiency. The investment market has been profoundly depressed and no pronounced progress has been achieved as far as the influx of foreign capital is

concerned. Investment activity must be subordinated to the investment strategy aimed at halting the decline and stabilizing our economy.

In this phase, it is necessary to create all the necessary conditions to gain the trust of not only domestic but especially foreign investors regarding the implementation of capital projects. In the second phase, it is necessary to concentrate on reshaping the structure of our economy and modernizing it on the basis of enterprises' investment decisions, with the participation of state and foreign capital.

In order to support the influx of foreign capital, the modernization of the entire infrastructure and a relatively stabilized political and economic situation are required.

As for foreign loans, it is important not to exceed the credit burden of our economy, taking into account gross domestic product and the volume of our exports. [passage omitted]

The relatively high debt burden of entrepreneurial subjects is a great obstacle to the influx of foreign capital. Therefore, it is necessary to release the economic subjects from their past obligations and in this way to create acceptable conditions for foreign investors.

It is necessary to set up an institute for foreign investments to be active in the sphere of the specific implementation of activities linked to the flow of foreign capital and to secure the observance of legislative regulations in accordance with the law, selection of individual investment projects from the point of view of securing financial resources, and the differentiated approach as far as providing state guarantees for capital participation is concerned.

The proportion of value added through manufacturing is decisive for the success of transformation and the success of the next period. According to the results of big enterprises' financial management, in the last two years, 1991 and 1992, the differences of productivity per one employee between the Slovak and Czech industry did not really change, but in the same period the value added through manufacturing was reduced in the Slovak Republic's economy by almost 20 percent. [passage omitted]

In the current period, despite some negative [word indistinct] of the implementation of radical economic reform, it is relatively difficult to estimate from the system of national accounts and tables the influence of the decisive elements of reform, of privatization, and their implementation and so on which will influence the work of business subjects and also the measure and course of structural changes, which also has influence on the instruments of structural policy.

Forming the reply to the given questions, with double urgency, gives rise to the need to quickly devote attention to the high-quality building of spiritual wealth in the

form of gaining and processing information on the state and prospects of the Slovak economy.

The inseparable part of this should be formed by following the development of the world economy, the development of the economy of the main partners of the Slovak Republic, as well as gaining information on the possible clashes of interests of the Slovak Republic and its economy with the interests of competitors. Creating such a center in a pluralist society requires the orientation of several government institutions which would compete for possibilities of granting such services. Generally, one can say that, under the situation of the far-reaching changes that are under way in the economy, the need for high-quality expertise and studies arises. They should, well in advance, provide norms and incentives for creating a conceptual approach.

Application of economic and political measures without previous analysis of what is happening in the economy on the microlevel, possibly prognosis, without taking into account what the possible reaction of the microsphere will be, may lead to unsuccessful economic policy.

The current structure of Slovak industry is markedly oriented on two [as heard] important industries: the engineering, chemical, and food industries, which employ approximately 45 percent of the work force and produce around 50 percent of net production in Slovak industry. From the point of view of industry, this can give rise to the impression of a certain positive orientation of Slovak industry, but a more detailed analysis proves that the above-mentioned figures in fact demonstrate industrial production that is not progressive enough. The current problems of Slovak industry may, in a concentrated fashion, be expressed in several areas. It is a problem of production programs, raw material supplies, profitability, shortage of capital, and the problem of the protection of the environment. All this results in a very low standard of the valorization process, above all in engineering.

In highly evolved economies, the share produced in industry is 30 to 45 percent, in our country it is 12 to 15 percent, which clearly goes to prove the need for structural changes. The long-term strategy of development, apart from the target idea formed in the state-political interest, must provide answers to the question of where comparative advantages or disadvantages of the Slovak economy and its individual regions are, but above all, it must provide answers to how new comparative advantages will gradually be formed, what has to be done to improve the quality of the individual production factors, how the technical level will improve, and what will happen to large enterprises that do not succeed in being privatized within a short period of time.

The existing trade balance between the Czech and Slovak Republics is not the result of a short-term imbalance or the declining productivity of the national performance of the Slovak economy in comparison to the Czech economy. It is the result of structural ties formed over several decades

within a unified Czechoslovak economy. Therefore, no cure using short-term economic policy tools can bring lasting positive results. The solution must be of a structural nature because fiscal, or currency, effects are a secondary consequence of structural consequences.

Currency tools may be able to improve export performance, but not the results of past structural ties. Moreover, devaluation would result in such negative effects as unjustified undervaluing of domestic production sources in relation to other countries, the further drop in the value of domestic wages against the dollar, price increases of imported manufacturing materials with the subsequent increase in production costs, and higher costs of imported consumer goods caused by wage increases etc.

In the context of the inevitability of the reconstruction of economic growth, a new inflation shock would be more than just a destabilizing factor. Through its consequences, it could trigger the return to state dictate—something that would appear necessary in order to maintain balanced budgets. This would involve the necessity of using various limiting measures, regulating and distributing tools, administratively determining prices and so on. In the current, incomplete, stage of transformation, the deceleration of the liberalization mechanism would endanger the results achieved by the reform process so far, and the sacrifices already made in the course of this process would be wasted through the further drastic worsening of the stagnation process. [passage omitted]

Privatization will require a markedly longer time than was anticipated originally and a further process will have to be laid down during this interval. The new policy for privatization requires tackling a number of tasks that will make it possible to secure its successful realization. [passage omitted] One has to proceed from the reality that it will not be possible to sell many enterprises within a short period of time, either to domestic or foreign buyers.

The possibility arises of organizing them as joint stock companies with shares taken into the administration of the Fund of National Assets, which will gradually sell them in any numbers to buyers until all shares are sold. Legislative regulations for the needs of privatization are to improve conditions for the participation of foreign capital in this process. [passage omitted]

Total privatization does not, however, have to be carried out right away and specifically if basic conditions are absent in the economy of the Slovak Republic. Even advanced West European countries had and have parts of assets in state ownership and their privatization was above all well considered and paid due regard to market conditions.

On the basis of preliminary analyses of the development of the past two years and the transformation of the economies of Central and Eastern Europe, we can state

that the mechanism of the pure market economy is not capable of resolving automatically all problems of the transformation process. The essence of the market mechanism is the initiative of the individual or enterprise. [passage omitted]

The initiatives of the individuals or enterprises do not want the government to interfere in the internal matters of private enterprises but demand from the government and other institutions subordinated to the government the creation of conditions to enable them to prosper as a result of their initiative. [passage omitted]

Among the main economic problems in the process of conversion in the macroeconomic dimension is to compensate for the lack of military orders by way of making changes in the structure of the state budget, by ensuring economic growth and employment, and by making unavoidable structural changes. From the microeconomic viewpoint, the main thrust is to eliminate losses as a result of programs designed to cut back output, prepare and realize effective substitute programs that would have ready markets, to retrain employees in the arms industry, and to tackle regional social and economic problems. On the basis of international experiences, there exists a range of prerequisites for ensuring a successful course of conversion, such as a longer-term preparation of it, creation of a well-thought-out concept, and the gradual and smooth realization of conversion, which would enable the spreading out over a longer period of time of up to 10 years certain complicated technical, organizational, and economic problems.

I regard structural changes, for instance abroad, in terms of the optimal reduction of military expenditure to be in the region of 0.5 percent, while we in Slovakia have achieved the rate of over 30 percent. Structural changes are a relative and permanent accompanying part of economic development, while conversion is their specific form and, therefore, given a rational economic strategy, there should not be sudden structural changes. The problem of conversion can be tackled more successfully in a period when the economy is on the upturn than during a period of economic stagnation.

The problem of conversion brings a number of new relationships into the production process and in this connection, including the conditions of the market economy, the course of conversion demands a certain central regulation by way of various direct and indirect forms of state economic interventionism for the benefit of conversion. The process of the rapid contraction of arms production, which was politicized following the political changes in 1989, has caused insoluble economic problems in Slovakia, where single-purpose capacities of the character of heavy engineering production were located. Even many foreign experts voiced their surprise at such a structural change, who said that such a change lacked expertise.

The necessity therefore arises to replace the production of military technology and other material with civilian

production, while the realization of its output must be secured by a market ready to purchase it. Thus, the problem arises of compensating for military purchases. This means the problem of creating sufficient markets for products of civilian production. [passage omitted]

One can deduce from the various impacts that conversion has had that it exceeds the possibilities of the branches it affects and demands extensive measures arising from the economic intervention by the state aimed at realizing substitute production and achieving given profitability.

The aforementioned can be documented by the result of economic activity in the microsphere in the individual regions. In the overall volume of the produced profit in industry in 1991, Bratislava shared 36 percent, its share in the production of goods was 24.4 percent; the territory of the former West Slovak region constituted 28 percent, its share in the production of goods was 24.4 percent; but the Central Slovak region share was only 14 percent, while its share in the production of goods was 27 percent; and in the East Slovak region, the profit is 22 percent while the share of production of goods is 24.6 percent.

There is one particularly unfavorable fact, that is the fact that the share of industrial enterprises in the southern district of Central Slovakia: Banská Bystrica, Zvolen, Lucenec, Rimavska Sobota, Velký Krtíš, Ziar nad Hronom, in the creation of profit was only 3.1 percent; and the regions of the northeastern Slovakia: Bardejov, Humenné, Michalovce, Prešov, Stará Ľubovňa, Svidník, Vranov, only 3.6 percent.

A new indicator of the economic activity of the regions is also the share of investment of foreign capital. On 31 December 1992, in overall invested foreign resources, Bratislava shared 66.9 percent, Western Slovakia 10.5 percent and Central Slovakia 12.9, and East Slovakia only 9.7 percent.

The aforementioned data at the present time establishes processes on the basis of which marked differentiation in the economic standards of the individual regions may arise. These facts are significant also for the reason that the zones of economic activity and democratic vitality do not coincide. According to the census of 3 March 1991 Slovakia had 5.3 million inhabitants, while the inhabitants of Slovakia, on the day of the census, lived in 2,826 towns and villages, according to the sizes of the towns and villages: up to 200 people in 345 villages, from 200 to 500 in 820 villages, from 500 to 1,000 people in 779 villages, from 1,000 to 2,000 in 523 towns, from 2,000 to 5,000 in 237 towns, and above 5,000 in 122 towns.

The aforementioned statistics signal that the trends of people moving away from villages continue to be valid. It would be desirable for this process to be halted. But that would require carrying out measures aimed at the revitalization of villages. One may assume that in view of the demographic vitality of the population, future development will take place in towns of over 10,000

inhabitants that create natural regional centers, above all for the reason that they have over 75 percent of labor opportunities.

In the aforementioned areas, from the regional point of view, the development of the age structure of the population is problematic: the low proportion of youths and the high proportion of retirees in the population, low birth rate and high death rate which occurs in the districts of Levice, Komarno, Nove Zamky, Ziar nad Hronom, Lucenec, Rimavska Sobota, Roznava, Trebisov, and Velky Krtis. In the districts of Komarno, Levice, Lucenec, and Velky Krtis, the population is even being reduced. The situation in the districts of northeastern Slovakia—Poprad, Stara Lubovna, and Spisska Nova Ves—is different, as well as in some districts of northwest Slovakia—sovazska Bystrica, Cadca, Dolny Kubin—where the long-term high birthrate ensures that a high share of the population will be youths: for example, Doly Kubin 31.4 percent, Stara Lubovna 30.6 percent, and Poprad 30.3 percent. This development may, after some time, create problems in the sphere of employment. It is particularly necessary to state as an example the situation in the district of Cadca where, despite the high natural increment of the population, the increment of the population in the productive sphere is low because over 40 percent seek work elsewhere, as a result of lack of labor opportunities.

From the point of view of the migration of the population, important target regions are Bratislava and Kosice. In the case of Bratislava migration is two thirds and in the case of Kosice three fifths of the growth of the population.

On the basis of what was mentioned above, one can state the regions that should be the objects of particular attention in the regional policy of the state from the point of view of halting and revitalizing the depressive demographic development, above all, in the south of Slovakia and active policy aimed at creating new labor opportunities in Dolny Kubin, Poprad, Stara Lubovna, Bardejov, Vranov nad Toplou, Spisska Nova Ves, and Presov. [passage omitted]

After the experience, that lasted almost two years, of the ultra-liberal approach to economic reform as was outlined by the Prague former federal unitarian center and tailored for the Czech Republic, it has become obvious that stressing only economic aspects resulted in a number of Slovak regions reaching the limits of social tolerance, with heavy social impact on the population of Slovakia.

The shock therapy has not proved itself. The envisaged bottom of the production decline has not yet been reached, and the move toward reviving the economy has not yet taken place. The development in Slovakia requires a change of the model and a more efficient and speedier transformation to a market economy. In Slovakia, social and economic difficulties and problems are caused, not by the substance of the implementation of

economic reform, but by the fact that economic reform in the former Czechoslovakia was being implemented without taking into account the conditions in Slovakia and without highlighting social aspects of the transformation to the market economy.

Its social aspect in Slovakia is much stronger than it is in Bohemia. It is not correct to equate this social aspect with left-wing forces.

In the Slovak Republic, social orientation in the sphere of economic reform does not mean abandoning reform, but expresses the fact that the speeding up of radical economic reform and its implementation has to respect the existing social, societal, and national characteristics of the Slovak economy as well as the social context of the market. The social context of the market requires not perceiving the market as the aim, but to turn it into a tool for improving the quality of satisfaction of our population's needs. The social context of the market means improving our state's communication with the economic sphere and entrepreneurs. [passage omitted]

When transforming ownership forms, it is necessary to take care to prevent the replacement of state monopoly ownership with a small group of private owners, financial monopolists. It is possible to overcome the outlined problem by adopting various ownership forms. [passage omitted]

The complex character of social consequences of economic reform and the pressing need to tackle them requires the formulation of a comprehensive social program for the Slovak Republic. This demand has to be put forward above all in the context of the tax reform implemented from 1 January 1993. The social program has to be formulated as a part of the national economic policy and built on European development trends as expressed above all in the European Social Charter and in the encyclical by Pope John Paul II on Christian social doctrine. [passage omitted]

The transformation of the social sphere to market conditions will take longer than the transformation of the economic sphere, and this process will be much more complex. The quality and effectiveness of social services will have to improve; a competitive environment will have to be created in which the state will be one of the partners providing social services. Social infrastructure will have to be created that will allow for a freer movement of labor. The social system of society should function as an integrating factor in improving the prosperity, quality, and way of life of the population and in helping people to adopt psychologically to the market economy. We must realize that in overcoming the crisis elements in the state the knowledge of the social sphere plays an important part in setting the limits of social tolerance beyond which the population will not be willing to make sacrifices in the growth of living costs and in the movement of social certainties [sentence as heard]. [passage omitted]

Forming a well-functioning social partnership of employees and employers requires the implementation of certain steps in reform which, on a systematic basis, lead toward creating a well-oriented partnership where the following steps must be implemented: supporting private enterprise through private shares and the actions of employees in the ownership of the enterprise by making the employees shareholders and thus the owners of the enterprise. This will markedly improve their relationship toward property and toward the work in the enterprise; to create [word indistinct] forms of interest of employees by means of social payments, that is supplementary pension funds, supplementary mutual funds, supplementary guaranty wages, and variable components of the wages and special advantages, for example, medical examinations, contributions toward lunch, loans, savings schemes, paid holidays, and recreation. [passage omitted]

In influencing the social impacts of economic reform and creating social peace, an important role is played by the cooperation of trade unions, employers, and the government. The priority task of the trade unions is to defend the social interests of working people by agreement with the employers and government and thus to strive for social peace.

Up to the year 1993, trade unionists had to be happy with merely defending living standards. Only from 1994 can they table wage demands that would not only mitigate the reduction of the living standards, but would create prerequisites for its growth. [passage omitted]

If there is unbalanced economic and social development, a situation may occur in which the dissatisfaction of the population with the development of living standards rises. In the first half of 1991, as well as in 1992, this dissatisfaction was already demonstrated. There is also evidence of this in public opinion polls on this topic. [passage omitted]

Economic measures are having a negative impact on the whole social sphere: health care, education, care for families with children, care for old people, old age pensions, and so on. The key problem in the reform scenario is the problem of the present and expected social impact on the population and the fall in people's living standards. The reform scenario includes measures in the social sphere that, in the form of a social safety net, will deal with the harshness of the social impact on the population. More than two years after the approval of the scenario and two years since the reform started, it is now emerging that the social impact is in fact worse than previously envisaged. This means, therefore, that we have to complete the concept and strategy of social policy and social care that will be able to forecast the impact comprehensively and to reckon with measures to eliminate the harsh character of the social impact on the population. [passage omitted]

The liberalization of prices and the necessary devaluations have caused the prices to increase in the course of

a few months by up to 50 percent. The insignificant increase of wages of the population thus resulted in a lower value for the money: of cash and savings. Many economists are saying that the result, in fact, was like that caused by traditional currency reform. The cost of living index, if compared with the nominal wage increase index, was higher and resulted in a fall of real incomes. [passage omitted]

There are views that the economic reform cannot be implemented in a way that would be socially bearable. We must not agree with such a view. The goal of the reform has to be directed toward people's prosperity, toward achieving an acceptable level of social justice, and toward the social development acting as a stimulator for economic growth. To carry out a reform for the sake of a reform is nonsense. The progress of the reform in 1991 shows that the development of the economy was worse than envisaged. The economic reform scenario envisaged that the cost of living—for the first stage of reform—would increase by 25-30 percent. The fact is that at the very beginning this was more than 60 percent. In 1991 unemployment was higher than originally envisaged, the fall of production and inflation were greater, and the cost of living increased further. Beginning deep structural changes and the further sharp increase of unemployment connected with them will deepen the social impact of the reform.

In the Slovak Republic, the social impact is and will be higher in families of workers, farmers, and in families with several children. It is expected, therefore, that the number of families with children that depend on help from the state will increase further. [passage omitted]

The setting of a duration to benefits payment and conditions under which they are payable will enable us to reduce the number of those who do not want to work and only rely on unemployment benefits and speculators who calculate on the benevolence of social grants and benefits. [passage omitted]

The social impact caused by economic reform is higher in the Slovak Republic than in the Czech Republic. The living standard in Slovakia is falling faster. Special measures are required to stop this disproportionate fall. [passage omitted]

Esteemed ladies and gentlemen, I have considered it necessary to use my long address to explain the issues discussed in our papers, issues you discussed in your committees, and to outline for you the overall philosophy of reform which will be implemented in the Slovak Republic.

The situation in both the economic and social spheres is very complicated, but there is a way out. This requires above all stability and cooperation in the political sphere and the preservation of social peace. Steps taken by the government and the parliament need to concentrate on adopting legislative measures that will put right the existing mistakes and will make possible a new orientation, a new concept of this policy.

I call on all of you, at the birth of the sovereign Slovak Republic, to take it another step further: from sovereignty to the prosperity of this country.

Thank you for your attention. [applause]

New SIS Director Michal Mitro Profiled

AU2104152993 Bratislava REPUBLIKA in Slovak
20 Apr 93 p 2

[TA SR report: "A Professional in Office"]

[Text] As we reported on the first page, Slovak President Michal Kovac appointed Michal Mitro, LL.D., director of the Slovak Information Service (SIS).

After graduating from the Department of Law at P.J. Safarik University in Kosice (1976), Vladimir Mitro (1950) worked as a Public Security Corps investigator. From 1980-1990, he was employed as a consultant in the Interior Ministry Office of the Slovak Republic. For a short period of time in 1990 he was chief of the Slovak Republic's Interior Ministry's Office.

Based on the results of his work, expert knowledge, and experience in the investigation field, Vladimir Mitro was appointed director of the Office for Investigation of the Police Corps of the Slovak Republic. Under his management, this office attained numerous positive results, particularly regarding the process of speeding up investigations and improving their quality.

In October 1992, the Slovak Government appointed V. Mitro chief of the Office of the Interior Ministry of the Slovak Republic.

Deputies Approve Salary Levels for Politicians

AU2304135893 Prague CTK in English 2139 GMT
21 Apr 93

[Text] Bratislava April 21 (CTK)—After a repeat discussion of a bill on salaries of employees of Slovak legislative, judicial and executive branches, Slovak deputies rejected all proposed changes and passed the bill's original version today.

The salaries bill becomes law on publication. Under it, Slovak deputies will earn three times the average salary of employees in the country's industrial sector.

Other officials' salaries, based on those of the deputies, will also be in keeping with the draft bill. The presidential salary will be four times higher than a deputy's. On retirement, the Slovak president will be paid 30,000 korunas (1,030 U.S. dollars) a month.

Members of the Slovak cabinet will be paid the equivalent of one-and-a-half times a deputy's salary, and they will receive an additional three months' salary on leaving office.

The parliament adopted a resolution by which salaries of government officials, employees in the parliament's administration and employees of the office of the Slovak president will be made known to the parliament.

The passage of the bill was enough to make it a permanent law, subject to change only by a parliamentary majority.

In further proceedings, the Slovak Parliament today approved a bill proposed by a group of deputies on the restitution the property of the Slovak National Culture Foundation Matica Slovenska, and also gave its approval to a central European agreement on free trade between the Czech Republic, Hungary, Poland and Slovakia.

The 18th parliamentary meeting continues on Thursday [22 April] with a review of the government program of July 1991 and its updating.

National Liberals Change Name to Liberals

AU2104155493 Bratislava HOSPODARSKE NOVINY
in Slovak 19 Apr 93 p 2

[TA SR report in the "Parties and Movements" column]

[Text] Changing the party's name was the main point on the agenda of the National Liberals' annual conference, which was held on Saturday [17 April] in Bratislava's U Matusa restaurant. The party, which affiliates small and medium-sized businessmen, has dropped the attribute from its name and will now just be called the Liberals.

Pavol Weiss, the party's executive secretary, told TA SR that the Liberals will continue to strive for domestic and international contacts with liberal-oriented parties.

Communique on President Goncz's U.S. Visit*AU2204121593 Budapest MTI in English 1846 GMT
21 Apr 93*

[Text] Budapest, 21 April (MTI)—In a communique issued on Wednesday, the Hungarian Prime Minister's Press Office denied allegations carried by the Wednesday issue of the Hungarian Daily MAGYAR HIRLAP in an article entitled "Why Doesn't Bill Clinton Meet Separately With Arpad Goncz?"

Citing information sources of its own, MAGYAR HIRLAP says Hungarian President Arpad Goncz, currently in Washington to attend the opening of the Holocaust Museum, will not have an opportunity to conduct bilateral talks with President Bill Clinton.

The MAGYAR HIRLAP story relies on an article by Istvan Gereben, former acting secretary of the North American Hungarian Associations' coordination committee, which has been dismantled since October 23, 1990. Gereben's article, entitled "Own-Goals of Hungarian Diplomacy," was published by the AMERIKAI MAGYAR NEPSZAVA on April 14.

According to MAGYAR HIRLAP, Gereben's article says there is a link between controversies that had accompanied the preparation of Goncz's visit to the United States and the failure to organize a meeting between Jozsef Antall and Bill Clinton for the date it was hoped to be held on.

The Prime Minister's Press Office communique says MAGYAR HIRLAP allegations fail to correspond to facts and are based on various suppositions. According to the communique, Istvan Gereben has made untrue statements several times regarding Hungarian-U.S. ties and the visits of Hungarian government representatives to the United States. It would be unfounded to respond to primitive remarks based on lies, but in this case, the MAGYAR HIRLAP article makes groundless allegations about the Hungarian president, the prime minister, and the foreign minister.

According to the communique, the facts are the following:

Hungarian President Arpad Goncz and Prime Minister Jozsef Antall received similar letters from the Holocaust Memorial Committee dated September 25, 1992, inviting them to the opening of the Holocaust Museum. In his reply, Goncz, citing other assignments, doubted he would be able to attend. Antall did not accept the invitation, either, but promised Hungary would be represented at a high level.

After his election, President Clinton spoke to Polish President Lech Walesa by phone, and agreed to hold a personal meeting with him, giving special regard to the coinciding of the museum opening with the anniversary of the Warsaw Ghetto uprising. The occasion created an opportunity for a broader meeting of heads of states and governments, within the framework whereby separate meetings of Walesa and Czech President Vaclav Havel with Bill Clinton were included in the agenda.

Due to various other assignments of Hungarian President Arpad Goncz, Parliament Speaker Gyorgy Szabadi, and Prime Minister Jozsef Antall, Hungary raised the possibility of sending the holder of the fourth highest office, Constitutional Court Chairman Laszlo Solyom. However, considering the opportunity for a broader meeting, Goncz agreed to attend the event.

"Contrary to the MAGYAR HIRLAP report, based on Gereben's 'ideas', a visit by Jozsef Antall to the United States in April has never been mentioned, neither has his participation at the Holocaust Memorial Session or any request for bilateral talks. Naturally, both State Secretary Gyula Kodolanyi and Foreign Minister Geza Jeszenszky held talks regarding a bilateral Hungarian-U.S. presidential and prime ministerial meeting, similar to previous ones, which may be held in autumn. This does not rule out other such meetings being held at international forums any time, as in meetings with former U.S. President George Bush.

"We hope that, regardless of the fact that it had not been planned previously, President Arpad Goncz had the opportunity to meet separately with President Clinton, similar to other heads of states and governments invited," the communique says.

Defense Minister To Meet With Slovak Counterpart*LD2304071293 Budapest MTI in English 0650 GMT
23 Apr 93*

[Text] Budapest, April 23 (MTI)—Hungarian Defence Minister Lajos Fur left for Bratislava on Friday at the invitation of his Slovak counterpart Imrich Andrejcek.

The ministers are to exchange views on the military policy situation of the region, the development of bilateral military relations, and long-term prospects of cooperation within the Visegrad Group of Hungary, Poland, the Czech Republic and Slovakia.

Fur is to obtain information about the situation of the independent Slovak Army.

The minister is accompanied by Lt. Gen. Janos Deak, chief-of-staff of the Hungarian Army.

Walesa on Ghetto Anniversary, Relations With Jews

AU2204130293 Poznan WPROST in Polish 18 Apr 93 pp 13-14

[Interview with President Lech Walesa by Jaroslaw Gizinski; place and date not given: "The Right To Exist"]

[Text] [Gizinski] Mr. President, Polish-Jewish relations are burdened with historical prejudice. During the ceremonies marking the anniversary of the Warsaw Ghetto uprising, what arguments are you using to display a desire to overcome this prejudice?

[Walesa] I have displayed such a desire many times already, especially during my official visit to Israel in spring 1991. But there have been other, lesser occasions as well. We have been revising our history for several years now, and more than just the topic of Polish-Jewish relations, which of course are part of a greater whole. "Historical prejudice" is to a certain extent the result of bygone experiences, but it is also the result of stubborn, evil stereotypes and myths that possess great persuasive power. We should examine the reasons behind the formation of stereotypes. That is the best way of eliminating them.

This does not mean we should forget the evil things that happened, but neither does it mean that the past should affect our present. We should try and understand the reasons why things happened as they did, but we must also forge new links and bear in mind the qualities that unite our peoples, not just those that divide them.

We in Poland have suffered dismal Polish-Jewish experiences, but our joint fortunes used to be harmonious. For centuries, Poland was the common home of Poles and Jews. There was even a time when the harmonious coexistence between the two groups could have served as a model for the rest of Europe, torn apart by religious and ethnic conflicts.

Today we are talking on the 50th anniversary of the uprising in the Warsaw Ghetto. That was a great, heroic initiative by the persecuted Jews in defense not only of their endangered lives, but also of their honor. It was on Polish soil that the Germans carried out the massacre of the Jewish nation. We are aware of the enormity of this atrocity. We remember it and will continue to do so in the future.

Different peoples suffered different losses in this war, and our people were not spared. We emerged from this war scarred and subjugated to a foreign power. We have regained our freedom after years of struggle. We have our own, independent state. Our experiences lead us to logical conclusions. Now that we can determine our own fate and decide with whom we should form friendship and alliances, we extend fraternal greetings to representatives of the people with whom we have so much in common, a people who are shaping their own fate in their own country, which they regained after 2,000 years.

Although we are now living apart, we are still inseparably joined by a common past and a common perception of the future. This is more than just our declared desire. It is proved by the facts.

[Gizinski] The reestablishment of diplomatic relations between Poland and Israel and your visit to Israel were the first steps in the establishment of normal contacts between the two countries. What are the next steps?

[Walesa] They have already been taken. We have undertaken many concrete actions. We have concluded agreements on cultural, scientific, and trade exchange. There is a joint Polish-Israeli committee responsible for the contents of school textbooks. In March 1991, I set up the Presidential Council for Polish-Jewish Relations. This advisory body consists of eminent individuals acquainted with these problems, and is working hard on something that can be described as a "new model" of Polish-Jewish relations. Indirectly, this is of enormous significance for Polish-Israeli relations. I wish to make it clear that Poland has many ethnic minorities. Some of them are much larger than the Jewish minority. I respect each of them. But only one minority has its own presidential council. That illustrates the significance of the issue and the importance which the Polish president attaches to it.

We know that many changes have also occurred on the Israeli side to improve relations. We appreciate the first results of these, and we are patiently awaiting the next ones. The process of eliminating mutual prejudice will take years, and require more than just legal documents. Mutual understanding and knowledge are not things that can be decreed. Nevertheless we must concentrate on rapprochement so that the elimination of the last prejudices may occur sooner.

[Gizinski] What should Poland and Israel do to overcome the negative stereotypes on Polish-Jewish relations still embedded in the consciousness of both nations?

[Walesa] I am in favor of interpersonal contacts at the "grass-roots" level. The state merely provides a general framework for mutual contacts. As I said, these are already occurring. Now is the time to fill this general framework with concrete substance, and that is the main thing to do. Direct contacts between ordinary people, between Poles and Jews, provide a better basis for normal contacts between countries than mere diplomatic relationships. And therein lie our chances. There are many reasons to pay mutual visits. Many young Israelis come to Poland because Israeli schools insist on it. On the other hand, Poles, being traditionally Catholic, are eager to visit the Holy Land. In Israel they discover traces of Poland. These tourists should be made to maintain contacts with each other. I am also counting on meetings between Polish and Israeli experts, because at such meetings much is discovered that is common to both sides. That is the best way to eliminate the old stereotypes and prejudices. Therefore, let both sides get acquainted with each other. One can already see signs of

a desire to overcome the negative tradition of isolation. Such signs include the activity of Polish-Israeli societies.

[Gizinski] Does the reemergence of chauvinist movements in Europe signify the danger of a return of the policy that led to Jews being shipped off to the camps?

[Walesa] Yes, there is such a danger, and it must be combated. Unfortunately, hostility toward "different" people is deeply embedded in the human mind. That is the reason for the religious strife in Ireland and Germany's objections toward asylum-seekers. It is also the reason for the war in Yugoslavia, currently the greatest drama in Europe. Hatred caused by ethnic and religious differences is a very strong sentiment, and manifests itself mainly in those places where conditions are bad, where there is poverty and deprivation. But there are also countries where such hatred was kept hidden for various reasons and suppressed by force. However, even democratic countries experience this hatred. This shows that democracy, which has already developed methods of opposing chauvinist trends, has still not completed the collective education of its societies. Therefore it is necessary to bring home the truth that everyone has an equal right to exist, and that no man is an enemy. Human distrust of ethnic or religious "differences" is a real danger that must be countered. This seems to be very clear from history, yet we are witnessing the tragedy of Yugoslavia before our very eyes, 50 years after Hitler and Stalin. The hatred there has reached unimaginable proportions. Even if this hatred is somehow neutralized, there is no way of telling if it might not reappear later. That signifies a constant danger for mankind. At the moment we are observing all this helplessly and worrying about our future. But if we want a calm future we must recognize everyone's right to a free existence on our common planet.

Walesa Returns, Comments on U.S. Aid to Russia

WS2304083293 Warsaw TVP Television First Program Network in Polish 0700 GMT 23 Apr 93

[From the "Wiadomosci" newscast]

[Text] Approximately 15 minutes ago, President Lech Walesa returned from the United States, where, along with 12 other heads of state, he took part in the opening ceremony of the Holocaust Museum. During the two-day visit, Lech Walesa talked with Bill Clinton. The journalists at the airport asked the president about his talks regarding aid for Russia.

[Begin Walesa recording] As far as Russia is concerned, the whole issue must be seen from two perspectives. The aid is necessary because they have the problem of unemployment, the problem of transformations. That is one thing. The other is implementing the reforms, and doing it in a secure manner. I mean the economic reforms, which should solve the political and military problems, and which should eventually end Russia's march to the east. [end recording]

Defense Minister Denies Plan To Leave Office

LD2204213093 Warsaw Third Program Radio Network in Polish 1900 GMT 22 Apr 93

[Text] Defense Minister Janusz Onyszkiewicz has denied news reports that he is to leave the Defense Ministry [MON] and take up the post of foreign affairs minister. "I am not going anywhere from MON," said Onyszkiewicz. Today the defense minister ended a two-day visit to Belarus. In Minsk he signed an agreement on military contacts between Poland and Belarus.

At a news conference the minister explained that the relocation of Polish troops and the strengthening of border zone units does not relate to Belarus in any way, but is connected with the need for a more uniform stationing of the armed forces.

'Discerning' Protectionist Moves Urged

AU2304081193 Warsaw TRYBUNA in Polish 13 Apr 93 p 4

[Interview with Janusz Bylinski, acting minister of agriculture, by Halina Dowda; place and date not given: "Protection, but Practiced Discerningly"]

[Text] [Dowda] Everything that could possibly be said against the introduction of countervailing charges on imported foodstuffs has been said. Consumers are scared of really horrific prices hikes. Must the introduction of these charges, as some people maintain, result in prices of foodstuffs increasing by several dozen percent?

[Bylinski] Price hikes cannot be ruled out, but there is no hard and fast rule. There were the same fears as now when such charges were introduced on eggs imported from the east, and nothing happened; egg prices did not rise and imports did not decline. So, it is not as bad as all that.

According to Ministry of Agriculture estimates and those of the Institute of Agricultural Economics, the possible increase in prices might be of the order of 1 to 3 percent and between 8 and 10 percent at the very most. However, foodstuff prices keep rising as a result of increases in energy prices, inflation, and lower output.

[Dowda] Is the concern about consumers genuine? Or is it a concealed attempt to defend the interests of importers? A lot is being said about the farming lobby, but importers also constitute an enormous lobby; it is just that they do not seek as much publicity.

[Bylinski] At current exchange rates, the import of foodstuffs is a profitable activity, and the bulk of the profits go to importers and retailers. Countervailing charges are intended to reduce their profits with a view to increasing state budget revenue, and they are also intended to create fair competition for Polish producers.

[Dowda] It is an abnormal situation if a fortune can be made on importing, but is not possible to make ends meet producing and processing one's own food. The

advocates of unfettered competition maintain that the farmers are losing out, because their production costs are high.

[Bylinski] For example, we produce sugar for half of what producing it costs in the EEC, but we still cannot compete with world prices. One cannot compare prices at world exchanges with our production costs and on the basis of that maintain that Polish agriculture's production costs are high. World prices and the prices paid to Western producers are entirely different amounts. Subsidies, export subsidies normally increase world trade prices by several dozen percent, sometimes by even as much as 100 percent. That results in unfair competition, because we neither subsidize production or exports.

[Dowda] Neither these arguments or the widespread application of countervailing charges, by, for example, the EEC and the United States, convinces the opponents of the charges.

[Bylinski] Apart from countervailing charges, many countries also employ quotas based on quantities or value, minimum prices, and so on. There is a rich range of instruments for protecting production against unfair competition from outside. Compared to all these instruments, the Agriculture Ministry's proposals are fairly modest.

[Dowda] Despite that, there are fears that Western partners may apply restrictions.

[Bylinski] That kind of reaction always has to be considered. One can expect enthusiasm when better conditions are changed for ones that are less advantageous. With the introduction of countervailing charges, we hope that we will attract more foreign interest in investing in our food processing industry. If one can earn very well by exporting ready products, why invest? Establishing food processing plants in Poland will make it possible to avoid paying many other border charges in addition to the countervailing charge.

Polish agriculture is open to the world and to cooperation, but on principles of partnership. We cannot accept being treated differently. Those were my arguments in talks with the EC Agricultural Commission on the subject of introducing countervailing charges. We managed to get some understanding shown for our position, although the talks were not easy.

[Dowda] The draft law had a rough ride before it was finally accepted by the Council of Ministers Economic Committee. The course of events was speeded up by farmers' protest actions, including the announcement of a blockade of border points by "Rural Solidarity." Recently, the Peasant Alliance issued the government with an ultimatum. Why is there so much opposition, as countervailing charges were decided on in the government's priority program "Opportunities for the Countryside and Agriculture"?

[Bylinski] It seems to me that government bodies are distrustful of the agriculture minister's proposals.

[Dowda] Does that apply to Mr. Janowski personally?

[Bylinski] No, it is generally the case with every agriculture minister. It is felt that he is under pressure from the farming community, which it is difficult to deny, and that influenced by that pressure, he formulates excessive proposals. I have been trying to explain that there are two sides to the coin regarding protection of the market.

Excessive protection of the market is a signal to farmers to produce more. How does that end? If the domestic market for foodstuffs is limited and there is no money for subsidizing exports, then the result can be overproduction and a drop in prices.

That possibility makes caution imperative, and I can assure you that the Agriculture Ministry is acting accordingly. The market has to be protected, but it must be done in a discerning way.

[Dowda] There is no shortage of people who want to make adjustments to the Agriculture Ministry's ideas. What, for example, has happened about the proposal that the revenue obtained from the countervailing charges should be used for the modernization of agriculture?

[Bylinski] Unfortunately, we had to abandon not only that proposal, but also other ones. We do agree to various compromises, but the most important thing is to introduce a mechanism for protecting the market.

[Dowda] That the lists of products that are to be covered by the charges are secret has caused concern. It would appear that they cannot be made public, because importers would then build up stocks.

[Bylinski] It is not worth making a sensation out of these lists of products to which the countervailing charges will apply. The lists will be changed depending on the situation in the foodstuffs market. Currently, a number of basic commodities appear on the lists. The time for discussing details will come when the charges are introduced.

[Dowda] When will that be?

[Bylinski] We would like the law to be passed as quickly as possible. We are counting on help from those deputies who are farmers. They have proposed their own draft law.

[Dowda] Because they could not wait any longer for a government one.

[Bylinski] That is all the more reason why they will pressing to have the matter dealt with quickly. However, it is difficult to envisage when the charges will come into effect.

[Dowda] By way of a consolation, there is to be a new schedule of customs tariffs.

[Bylinski] The technical preparations for the introduction of changes are underway.

[Dowda] Those are still only announcements, whereas importers are not wasting their time. Is it true that pork is still being imported? That is the final blow to pork production, which has fallen dramatically.

[Bylinski] Not one porker has crossed the eastern border since the beginning of the year. A ban on imports is in force, because cases of so-called pig cholera have been discovered in neighboring countries. Unfortunately, pork meat is being imported.

[Dowda] As well as cattle and chickens, although there are stocks to last six months.

[Bylinski] In a situation in which there is healthy competition, imports of foodstuffs do not harm domestic production. The countervailing charges are not being treated as a stopgap move, but as a systematic measure that is to lead to the stabilization of agricultural production and processing, as well as to stability in the food market.

[Dowda] Thank you.

Deputy Views Lithuanian Issues Following Visit

AU2104172693 Warsaw SZTANDAR MŁODYCH in Polish 7 Apr 93 p 5

[Statement by Professor Tadeusz Iwinski, Alliance of the Democratic Left, to Robert Walenciak; place and date not given: "Will the Left Pass Its Examination in Government?"]

[Text] I was a member of a Polish leftist delegation that visited Lithuania. We had meetings with the president, minister of foreign affairs, chairman of parliament, and the heads of the main factions in Lithuania's 141-person Sejm. We also had talks with representatives of the Poles living in Lithuania. In response to questions from us about what had changed, everyone was in agreement on one thing: The climate has changed for the better under a leftist government, but there are still just as many problems.

There is no longer that atmosphere of Poles being pushed into the background. Regarding the material situation, no far-reaching changes could have occurred yet. Brazauskas says that he has only been president for a few weeks.

What are the main problems that Poles in Lithuania are presently facing? In the Vilnius district, a special plenipotentiary, Mr. Merkis, is still in office and the results of the local government elections have not been recognized. What do the new authorities have to say about that? They admit that it is true. However, they add that a significant number of the members of the electoral commission have already been replaced and that the commission will issue a decision on the elections very shortly.

A further contentious matter is the Polish-Lithuanian treaty. The Polish side submitted its version in the middle of January. What is at issue is that nationalist forces, such as the Vilnija Association, believe that no treaty can be concluded unless there is a condemnation of General Zeligowski's actions, the Polish occupation of the Vilnius territories, and a negative assessment of the activities of the Vilnius Home Army.

The Polish side argues that a treaty is not a suitable document for assessments of history. The past should not be an obstacle to cooperation. I think that the Lithuania leadership is becoming more inclined to come around to that view. We have four neighbors in the east, and Lithuania is the only one with which we have still not signed that kind of document.

There is also the question of a Polish university in Vilnius. It has de facto already been established. However, can it be a real college in view of the lack of teaching personnel? Only four percent of the Poles in Lithuania have received a college education. This year, a chair of Polish language and culture will be established at Vilnius University. In the future, it will be possible to transform the chair into an institute and then into a faculty.

There is no doubt that a matter of great importance for the Poles in Lithuania is the relaying of Polish Television's First Program, especially since the current agreement expires this year. The second issue is the press. KURIER WILENSKI, the only Polish-language daily, is having economic difficulties. The government is financing it but only until the end of this year.

It is important to provide the Poles with assistance, but ideas such as that of Prof. Andrzej Stelmachowski about collecting farm machinery do not seem to be that sensible. Why? Because Sajudis has wrecked Lithuania's agriculture. It was completely collectivized, but it worked well. Today, now that the collective farms have been divided up, we have 50,000 acres of land in Lithuania that is not being cultivated. Of course, the Democratic Party of Labor realized that there can be no return to collectivization. But what is going to happen next? How can one start collecting machinery without knowing what is needed in Lithuania? One can count on it being possible to collect farm machinery in Poland but machinery that is horse-drawn, and there are almost no horses at all in Lithuania! So, without an analysis of the needs of the market, the campaign being proposed by Prof. Stelmachowski is, to put it tactfully, of questionable value.

In talking about the position of the Poles in Lithuania, one has to realize how complex the situation is. Many of the demands are unrealistic, if only the one about establishing a separate border crossing point solely for Poles.

I think that the process whereby the Polish minority will adapt to the new Lithuanian reality will still take a good many years.

The economic situation in Lithuania has reached rock bottom, and it might get even worse. Last year, inflation amounted to 1,500 percent. Today, the dollar is worth about 500 coupons in Lithuania, and people earn between 3,000 and 8,000 coupons a month. Almost half the country's foreign currency had to be used for energy imports. We were freezing during our talks in the unheated parliament building. Lithuania is dependent on Russia for energy supplies. Its leading plants worked for the needs of parent agencies in Russia and Ukraine. So, a synthesis of western and eastern orientations has to arise in Lithuania, to count on the West turning up and pouring in dollars is pure utopia.

Investment Agreements Signed in Malaysia

LD2204200593 Warsaw Radio Warszawa Network in Polish 1700 GMT 22 Apr 93

[Text] Deputy Prime Minister Henryk Goryszewski, who is visiting Southeast Asia, ended an official visit to Malaysia today. One result of this visit was the signing of a Polish-Malaysian agreement on promotion and protection of investments.

Deputy Prime Minister Goryszewski was received by the Malaysian king, Aslan. He also held talks with the country's prime minister. The talks focused mainly on economic issues. It was emphasized that Malaysia could become a door to the markets of the Southeast Asian region, while Poland could become a similar door for

Malaysia to Central and Eastern Europe, as well as to the markets of the former Soviet Union.

Tomorrow Deputy Prime Minister Goryszewski and the government delegation accompanying him depart for Singapore for a working visit.

Costa Rica Recalls Envoy Accused of Drug Smuggling

LD2204110493 Warsaw PAP in English 1048 GMT 22 Apr 93

[Text] San Jose, April 22—The Costa Rican Government on Thursday recalled its Ambassador to Poland Carlos Alberto Vargas Solis after Polish customs officers found 12 kilos of heroin in the ambassador's luggage on Tuesday.

Costa Rican Minister of Foreign Affairs Bernd Niehaus said he is depriving Vargas of his diplomatic immunity to enable Polish authorities to carry out a detailed investigation into the case.

Niehaus added that during a telephone conversation, the ambassador denied the accusation of heroin smuggling but could not explain how the heroin had been put in his luggage.

During the talk, the minister told Vargas to put himself at the disposal of the Polish Administration of Justice. Niehaus added that the incident "is very painful" for the Costa Rican Government.

Assessment of Iliescu's Meeting With Clinton*AU2204124793 Bucharest ROMPRES in English 1059
GMT 22 Apr 93*

[Text] Bucharest, ROMPRES, 22/4/1993—During his meeting with President Clinton, Romania's President Ion Iliescu, currently in Washington to attend the opening ceremony of the Holocaust Memorial, pointed out the considerable importance Romania grants to the United States in its foreign policy, stressing the two dimensions of the Romanian-American relations which are of special interest to the Romanian people, said the spokesman for the presidency Traian Chebeleu.

Mr. Chebeleu went on to say that first of all it was a matter of a political dimension of the Romanian-American collaboration of major importance for strengthening security in Romania, especially under the current circumstances in the area. Secondly, it comes an economic dimension, that is, the importance of the relations with the United States for Romania's transition to a market economy and for the economic reform. The American president appreciated the progress achieved in Romania in the process of democratization and reform, expressing the readiness of the American Administration to support the democratic process as well as reform in Romania. He showed that, on a longer term, the United States are granting special importance to Romania in the current regional context and also appreciated Romania's contribution to the strengthening and observance of the embargo against Yugoslavia.

Iliescu on 'Favorable' Talks With U.S. Officials*AU2204131493 Bucharest ROMPRES in English 1022
GMT 22 Apr 93*

[Text] Bucharest, ROMPRES, 22/4/1993—"The discussions I had with members of the Ways and Means Committee which handles especially issues related to the most-favored nation treatment, with some other members of the House of the Representatives and of the Foreign Affairs Committee of the Congress, were in my opinion fertile", said Romania's President Ion Iliescu.

"I had the opportunity to discuss frankly, in a manner of mutual consideration and real interest. Neither formal, nor conjunctural, or diplomatic but very frank discussions over the evolution of the political process in our country, the reform and the conditions for promoting in the Congress the trade agreement bill, hence the most-favored-nation status. I had the opportunity to talk even to congressmen who had been cautious in the past. Thus, from this point of view, I consider there is a climate changed for the better and much more favorable", concluded the president.

Iliescu's Message on Opening of Holocaust Memorial*AU2204190493 Bucharest ROMPRES in English 1200
GMT 22 Apr 93*

["Abridged" version of President Ion Iliescu's message on the opening of the Holocaust Memorial in Washington—date not given]

[Text] Bucharest, ROMPRES 22/4/1993—When we are conjuring up the past, the tremendous toll of human suffering comes to our mind. But never have we witnessed a more terrible horror than the holocaust: Humiliated only because they were Jews, unjustly punished only because they were Jews, sentenced to death only because they were Jews, man and woman, brother and sister, mother and child, young and old, faithful and unfaithful alike.

The Romanians' long tradition of suffering and tolerance makes us more inclined to compassion and real understanding of the Jewish people's tragedy.

May the sacrifice of the millions of people to whom this memorial is dedicated be the last and may mankind never again surrender to the forces of totalitarianism, be they political, racial or religious.

May the spirit of the dead whom we are commemorating here guide the living on the road of peace and prosperity.

Ethnic Hungarian Leader Views Minority Issue*AU2204133693 Budapest UJ MAGYARORSZAG in
Hungarian 21 Apr 93 p 3*

[Interview with Laszlo Borbely, deputy chairman of the group of deputies of the Democratic Union of Hungarians in Romania in the Romanian Chamber of Deputies, by "J.I.B." in Budapest on 19 April: "The Romanian Public Opinion is Increasingly Less Influenced—The 'Hungarian Danger' Is Diminishing"]

[Text] A joint delegation of the faction of the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian] in the Romanian Parliament paid a two-day visit to Budapest at the invitation of the chairman of the Hungarian parliament at the beginning of this week. The delegation was received by Prime Minister Jozsef Antall, National Assembly Chairman Gyorgy Szabad, and State Secretary Geza Entz, head of the Office of Hungarians Living Beyond the Borders. Our correspondent interviewed Laszlo Borbely, deputy chairman of the RMDSZ faction in the Romanian Chamber of Deputies.

[J.I.B.] This delegation arrived in Hungary to exchange views. What expectations preceded this visit?

[Borbely] This is a symbolic invitation because this is the first visit of a body of ethnic Hungarian deputies and senators to Budapest since the change in the Romanian regime. In addition, this visit also means the beginning of contacts at the level of expert committees and of

regular exchanges of information; in other words, this means the replacement of occasional and private contacts so far with systematic contacts.

[J.I.B.] What are the relations between the RMDSZ and the Democratic Convention regarding the issue of prefects in the Harghita and Kovaszna counties?

[Borbely] The Democratic Convention condemned this government measure in a statement, because this discrimination affects not only the Hungarian minority, as the government is trying also to purge every non-Iliescu follower from public office, including leaders of the Romanian opposition. Thus, the positions of the RMDSZ and the Democratic Convention are practically identical on this issue.

[J.I.B.] The RMDSZ welcomed the National Minority Council recently set up by the Romanian Government, and at the same time it expressed reservations toward this new body. Why?

[Borbely] There was such an "opinion-making" ghost council operating on a club level in the previous legislative cycle too, but this body was unable to represent the interests of the national minorities on any level. We also pointed out this time that we would only participate in the activity of this council if it really represented the national minorities at government level. In other words, we regard this as a positive idea, but our final position will depend on the real opportunities. It might seem promising that a verbal promise has been given, namely that this council would formulate the bill on national minorities.

[J.I.B.] According to a recent opinion poll in Romania, the Romanian public is increasingly less concerned about the "Hungarian danger."

[Borbely] Indeed, we have been glad to notice recently that it is increasingly difficult to deceive the Romanian public, because most of them realize that these issues always emerge when prices go up and living conditions become more difficult. Of course, the extremist parties of the government coalition are trying to maintain this "danger."

Vacaroiu, Spiroiu on Security Policy Targets

AU2204191193 Bucharest ROMPRES in English 1505
GMT 22 Apr 93

[Text] Bucharest ROMPRES 22/4/1993—The National Board for Defence organised Thursday, April 22, a seminar on European and national security in the 90-ies.

The seminar was opened by Premier [Nicolae] Vacaroiu. It was intended to sum up the scientific research initiated by Romania's Ministry of Defence on Romania's security in the context of world, continent, zone evolutions.

The Romanian premier and the minister of defence, spoke about the deep changes going on in Romania, in the other former communist countries, the influences these changes are going to have on the geo-political situation of Romania. Romania has to re-shape its

security policy, it is going to rely on its own forces and on political support by Euro-Atlantic countries, said Minister of Defence Nicolae Spiroiu. He added that Romania's security strategy had European integration among its main targets. A special mention was made on Romania as a factor of stability in its area.

Romanian-Greek Economic Commission Meeting

AU2104191893 Bucharest ROMPRES in English 1524
GMT 21 Apr 93

[Text] Bucharest, ROMPRES, 21/4/1993—A session of the Romanian-Greek Governmental Commission for Economic, Technical and Scientific Cooperation takes place in Bucharest from April 21 to 24.

The recent changes in Eastern Europe brought about a relaunch at an upper level of the economic relations between Romania and Greece, both countries becoming crucial points for the deepening of the cooperation in the Balkans and in the architectural framework of the European economic zone, Cristian Ionescu, secretary of state at the Foreign Trade Ministry, chairman of the Romanian party of the commission, said.

For his part, George Theophanous, secretary-general for foreign trade of the Greek Ministry of the National Economy, chairman of the Greek party in the commission, said that Greek businessmen, who traditionally have a drive to Romania, have used the opportunities to invest in production, trade, sea transport and other sectors of the Romanian economy.

The meeting was also intended at creating an optimal institutional and legal framework to boost the cooperation of the business community of Romania and Greece.

Minister Oancea Opposes Wheat Price Increases

AU2304110093 Bucharest ADEVARUL in Romanian
17-18 Apr 93 p 1

[Interview with Ioan Oancea, minister of agriculture and food, by Aurel Papadiuc; place and date not given: "We Have Wheat Until the Next Harvest!"]

[Text] We asked Minister of Agriculture and Food Ioan Oancea several questions that we received from our many readers, asking him to present the official viewpoint on the much-debated issue of wheat and to clarify the issue if possible. The minister told us the following:

[Oancea] I will present the real situation. At this time, we have about 500,000 metric tons of wheat for bread production. To this one should add: 415,000 tons of wheat imported on credit; about 300,000 tons of wheat contracted by Romcereal from the United States—a very important contract whose implementation has now become certain, also thanks to the intervention of daily ADEVARUL; 150,000 tons of wheat as aid from the European Economic Community; and 67,000 tons of wheat on the basis of a very advantageous contract signed by myself and the U.S. ambassador to Bucharest.

Therefore, we have guarantees of the import of some 930,000 tons of wheat. Aside from these imports, we also reckon on monthly purchases of some 40,000 tons of wheat from domestic producers. Therefore, bread consumption is ensured until the middle of next August. This means one month after harvesting time—enough time to ripen the new production. This is the real situation and, as you can see, there is no reason for concern, unless one wants to distort reality.

[Papadiuc] There is much talk about the need to increase the domestic price of wheat.

[Oancea] There is no economic justification for that. The calculations are clear-cut. As of 5 March 1993, the purchase price for domestic wheat is 70 lei per kilogram. One should mention that, apart from this purchase price, agricultural producers are given other advantages worth 21.43 lei per kilogram in the form of subsidies for certain chemical fertilizers and pesticides; compensation for interest on loans; exemption from contributions to social security, unemployment, and research costs; and exemption from income and gasoline taxes. Therefore, if we add all these advantages to the current purchase price of 70 lei per kilogram, we get a real price of some 91.43 lei per kilogram. Compared to the price of wheat imported from Europe, the current domestic purchase price is higher by 9,330 lei per ton. Therefore, this price is quite advantageous for domestic producers. One must also realize that, with the price liberalization completed after 1 May, any increases in the purchase price of wheat would inevitably lead to exorbitant increases in the price of bread. This is something that nobody can agree with.

Parties Condemn Planned Resignation of Mayors

AU2204121393 Bucharest ROMPRES in English 1055
GMT 22 Apr 93

[Text] Bucharest ROMPRES, 22/4/1993—Representatives of the Covasna County branches of the Liberal Party, National Salvation Front, National

Peasant Christian-Democratic Party, Democratic National Salvation Front, Romanian National Unity Party, Agrarian Democratic Party, Social-Democratic Party, Civic Alliance Party, Socialist Party of Labor, and Republican Party gathered in Sfintu-Gheorghe on April 20, because of the decision of mass resignation on April 30 made by the mayors and councillors of Harghita and Covasna Counties, representing the Democratic Union of Hungarians in Romania [UDMR] daily TINERETUL LIBER informs.

All the participants disapproved of the UDMR decision and made an appeal for clear-sightedness and realization of the serious consequences of the decision. The resignation was considered as a real destabilization of the activities of the local councils and mayor's offices in the two counties. The participants also underscored that the persons holding the county leading offices [the mayors and councillors] were elected by democratic votes, took an oath of loyalty to Romania's leadership and to the laws of the country and therefore their mass resignation would represent a serious action with unpredictable consequences.

The representatives of the parties urged the UDMR to renounce the intentions of resignation, to observe the constitutional framework and the order of law, to shift the exacerbated interest in a certain political platform to effective activities for social and economic development of the counties.

"Being aware that we faithfully serve the interests of the state of law, the political formations signatory to the present appeal are expressing their determination to act in common, above the ideological platforms, for the establishment of a climate of understanding and good coexistence in Covasna County," the appeal reads in the end.

Serbian Assembly Chairman Defines Association With Krajina

AU2304093893 Belgrade Radio Beograd Network in Serbo-Croatian 0849 GMT 23 Apr 93

[Report by Dragoljub Stankic]

[Text] [Stankic] The session of the Serbian republic [in Bosnia-Herzegovina] assembly started some 10 minutes ago with their anthem Lord of Justice. A one minute silence [words indistinct]. 63 deputies are present at the session, which meets the quorum requirements. Among those present are representatives of the army, and the bishop of Banja Luka, (?Jecem), and the bishop of Petrovac-Bihac, (?Krizoston), representing the Serbian Orthodox Church. According to the agenda that has just been adopted, the deputies are expected to take a position on Security Council Resolution 820, to adopt several laws necessary for the functioning of the state, and to decide on the constituting of the community of assemblies of the Serbian republic and the republic of Serbian Krajina. I propose that we hear what Momcilo Krajisnik, chairman of the Serbian republic assembly, had to say in a special statement for Radio Belgrade.

[Begin Krajisnik recording] Special attention has to be paid to taking a position on the Resolution 820. We also have to deal with interior affairs, that is, the functioning of the state, if I can put it that way, and the third important thing is the agreement on the constitution of the community of assemblies of the Serbian republic and the republic of Serbian Krajina.

The most important thing is that last night we held a deputies club, at which it was decided that maximal efforts have to be made, we have to be as cooperative as possible so as to let the international community know with one statement, one declaration, that the Serbian republic is in favor of the peace plan, that is, in favor of peace, an end to the war, and anything that can bring peace back to this region. That would be our contribution to avoiding the implementation of these sanctions, even though I have to say that I believe that this will be very difficult, since the intentions are something entirely different from what the resolution is supposed to impose.

Another thing connected with the community, with the constitution of the community of the two assemblies, is that it is not unification, nor have we announced unification in Prijedor. This is in effect (?Serbian) associating between the two republics in all the spheres that are important for the people on both sides of the Una River. These are aspects of association that will not endanger the Vance plan in the Serbian Krajina. There has been a lot of confusion surrounding this, as they call it, unification, so it is very important to say that we will do everything to obtain what the Serbian people are entitled to, not only as a nation, but also as neighbors, and we will do everything to improve the functioning of both republics. We will not endanger the Vance plan. That is what Croatia is doing, and that is why we should not place

ourselves in the same position. Croatia has violated the Vance plan [words indistinct] and then we would be equally guilty. [end recording]

[Stankic] Let me just add that the Serbian delegation led by Radovan Karadzic, president of the Serbian republic, will leave for Belgrade this afternoon, where they should hold very important talks with Lord Owen, cochairman of the conference on the former Yugoslavia. This is all for now.

Karadzic Discusses Talks With Owen, Assembly Meeting

LD2204210293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1917 GMT 22 Apr 93

[Text] Belgrade, 22 Apr (TANJUG)—President of the Serb republic [in Bosnia-Herzegovina] Dr. Radovan Karadzic told SRNA this evening that he is to meet cochairman of the conference on former Yugoslavia David Owen in Belgrade tomorrow. He said that he had met Owen last night, that they had not discussed the geographic changes to the proposed maps, and that he had not been informed about their corrections.

"We spent more time discussing the essence of the project and we are still to meet twice or three times over the weekend," Karadzic said.

Commenting on the current conflict between Muslims and Croats on the territory of former Bosnia-Herzegovina, Karadzic said that "their signature on the Vance-Owen plan obviously does not mean anything," adding that "the only true judge is the real situation in the field."

"We still believe that UNPROFOR [UN Protection Force] commander for former Yugoslavia General Wahlgren will demilitarize Srebrenica and its vicinity, that is, that the Muslim soldiers will hand over their weapons and remain there to live as civilians and wait there for a political solution of the conflict on the territory of former Bosnia-Herzegovina," Karadzic said commenting on the news that 7,000 Muslim soldiers fled Srebrenica to the surrounding hills without having surrendered their weapons to the UNPROFOR as was set out in the Mladic-Wahlgren-Halilovic agreement.

Karadzic stressed that the Serbs will respect "the part of Srebrenica which has been demilitarized," adding that units of the Serbian army will "observe the cease-fire and will not attack anybody until final peace is achieved."

"If Serbian soldiers and civilians are directly attacked the Serbian units will have to defend themselves," Karadzic stressed.

Speaking about the media campaign launched by foreign information media which focused their reporting on the Serbs and the situation in Srebrenica, although conflicts between Muslims and Croats in the Neretva river valley

and central Bosnia escalated into a real war, Karadzic concluded that it was the continuous inertia of pressures on the Serbs.

"The obvious example is the town of Gorazde which is always in the focus of attention although there has been no fighting there, while a war is waged in central Bosnia and in the Neretva river valley between the Muslims and the Croats, while the West is still discretely silent," the president of the Serb republic said.

A joint session of the assemblies of the Serb republic and the republic of Serb Krajina is to be held the day after tomorrow, which will among other things discuss the Vance-Owen plan, Dr. Karadzic said.

According to him, a session of the People's Assembly of the Serb republic which will be held tomorrow will also discuss the Vance-Owen plan and UN Security Council resolution 820, while a part of the plenary session will be devoted to a discussion of the proposal to set up a joint parliament of the Serb republic and the republic of Serb Krajina, which was adopted in Okucani.

Buha Says Serbian Assembly May Declare 'Independence'

AU2204190993 Belgrade BORBA in Serbo-Croatian 22 Apr 93 p 5

[Interview with Aleksa Buha, foreign minister of the Serbian republic in Bosnia-Herzegovina, by Branka Mitrovic and Dragan Bisenic; place and date not given: "The Negotiating Process Has Failed"]

[Excerpts] [passage omitted]

A Plan Without A Signature

[BORBA] Did you take Vitaliy Churkin's [Russian envoy to the UN peace talks] advice to agree to the minimal changes in the Vance-Owen plan?

[Buha] In regard to the minimum, we have proceeded from it. The more acceptable alternatives for us were either to stay in Yugoslavia, become an independent state of the Serbian republic [in Bosnia-Herzegovina], or join a federation or confederation with the republic of Serbian Krajina. The minimum is that everyone should get what belongs to him. Later, it would be possible to negotiate an exchange of territory or parts of territories between interested parties so that the provinces become as compact as possible, if the moving of people for humanitarian reasons is found to be necessary. The minimum and maximum amount to everyone being given what belongs to him.

[BORBA] Does this mean that the plan will not be signed?

[Buha] This means that there is no person who could or would dare sign such a plan on behalf of the Serbian republic. Even if this signature was given, it would not mean anything for establishing peace. The clashes

between Croats and Muslims, who have been allies until recently, prove that the borders of the provinces are wrong, even though they had been negotiating them. [passage omitted]

[BORBA] What do you expect from the joint assembly session of the republic of Serbian Krajina and the Serbian republic, which will be held only two days before the expiration of the deadline for signing the plan?

[Buha] All options are open, ranging from the continuation of negotiations under different circumstances, the request for independence, setting up a joint state with the republic of Serbian Krajina, and so forth, to accession to Yugoslavia. I do not even think that these options are mutually exclusive. A change in strategy is also possible. The assembly could ask the Serbian republic delegation to take a more radical stand.

[BORBA] What do you mean when you say that a change in strategy is possible?

[Buha] That the negotiations within the borders of Bosnia-Herzegovina on finding a political solution should be abandoned and that independence should be sought.

[BORBA] Does this mean that you would then seek recognition from other countries?

[Buha] Yes, we would. [passage omitted]

Croats Reportedly Blocking British UN Forces in Vitez

LD2204190893 Belgrade TANJUG in English 1848 GMT 22 Apr 93

[Text] Belgrade, April 22 (TANJUG)—Bosnian Croat forces are preventing British U.N. peacekeepers deployed in Vitez, central Bosnia, from moving freely. TANJUG was told by UNPROFOR [UN Protection Force] in Belgrade on Thursday [22 April].

This is probably the result of unfounded accusations by the Bosnian Croat Army that during the latest fierce clashes in the area between Bosnian Croats and Moslems, the U.N. peacekeepers had transported Moslem troops and weapons in their armoured personnel carriers, UNPROFOR said.

On Wednesday afternoon two shells exploded just fifty metres from British positions in Vitez, wounding two civilians, UNPROFOR said.

The intensity of the fighting had diminished somewhat on Wednesday—UNPROFOR said that Bosnian Croat Army Commander Milivoj Petkovic and his Moslem counterpart Sefer Halilovic had on Wednesday reached agreement on a ceasefire.

The agreement gives 24 hours to the Moslem forces to withdraw to positions held before the outbreak of the Croat-Moslem conflict and to return to the nearby town

of Zenica, and 48 hours to the Croat forces to pull back to positions south of the Vitez-Zenica road, UNPROFOR said.

Fierce clashes between the erstwhile allies in the struggle against the Bosnian Serbs broke out several days ago in central Bosnia-Herzegovina, in areas with mixed Croat-Muslim populations.

Croat, Muslim Forces Reach Agreement in Nova Bila

LD2204151493 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 22 Apr 93

[Report by Slavko Rako from Mostar]

[Text] It has been very quiet in Mostar today. Only sporadic sniper fire could be heard in the city but fortunately there were no casualties. There is still a lot of distrust among the population of Mostar and the city's empty streets bear witness to this.

Officials from the HVO [Croatian Defense Council] and Muslim forces in Mostar are in touch constantly and everything is being done to ease tension and to normalize life in the city. It has been unofficially learned that yet another joint statement is being prepared and that it contains new agreements. A command will be issued ordering the cessation of arrests of both HVO and Bosnia-Herzegovina army members unless they are caught committing criminal acts.

By 1800 today both sides should set their prisoners free based on the all-for-all principle.

Details have emerged on an agreement reached yesterday in Nova Bila in central Bosnia between Brigadier Milivoje Petkovic, commander of the main HVO headquarters, and Sefer Halilovic, commander of the Muslim forces. An immediate cease-fire and a separation of the warring sides were agreed upon to allow the arrival of UNPROFOR [UN Protection Force] units. Blue helmets should help to keep the Kiseljak-Travnik road open and to provide full security for Croats in Zenica and Muslims in Vitez. This agreement has been mainly respected but several Muslim violations, mostly by snipers, have been registered.

Today the HVO's defense department in Mostar revealed the chronology of the Muslim aggression against the HVO in central Bosnia. The aggression began on 13 April when four HVO officers were kidnapped in Novi Travnik municipality. As of yesterday 85 HVO members had been killed in these attacks, and 110 wounded soldiers have been treated at the war hospital in Nova Bila.

Croat Towns Near Sarajevo 'Encircled' by Muslim Forces

LD2204171693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1603 GMT 22 Apr 93

[Text] Pale, 22 Apr (TANJUG)—Kiseljak is completely encircled by Muslim forces, "Studio S" of the Serb republic radio reported this afternoon from the border area between Ilidza and Kiseljak municipalities.

The Muslim front positions on the bridge over the Fojnica river are only 1,200 meters away from Kiseljak town center, "Studio S" has reported.

According to the same source, fierce clashes have been in progress for 48 hours and dozens of soldiers on both sides have been killed.

A general mobilization has been proclaimed in Zenica and fresh troops loyal to Alija Izetbegovic are being sent from this city to the frontlines toward Kiseljak and Vitez.

Serb radio has reported that Busovaca is also encircled. Local Croat defense units ordered the Muslim forces to surrender their weapons. The villages near Busovaca which did not respond to this order were razed to the ground. The Muslim side responded by blocking and capturing roads in this area focusing mainly on the Fojnica-Jablanica road.

Army Captures Travnik From Croats

LD2204163893 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 22 Apr 93

[Excerpt] This morning the Bosnian Croat forces headquarters was moved out of Travnik, and according to HINA's correspondent the Bosnia-Herzegovina Army units are in full control of the town and has entered buildings previously controlled by the Croatian units. Croat flags have been burned down and Muslim flags have been raised in their place. Croat flags were have also been removed from the deserted Jesuit school. Most of the houses of Travnik Croats have been occupied by Muslim extremists and the owners have been arrested or expelled. [passage omitted]

Article Says Muslims Trying To Expel Croats

93BA0876B Zagreb VJESNIK in Serbo-Croatian 26 Mar 93 p 8

[Article by Mario Marusic: "Minutes Offered as Evidence of Muslim Intentions"]

[Text] Siroki Brijeg—The carefully prepared attack of the Muslim forces on units of the HVO [Croatian Defense Council] and Croatian population of Konjic and vicinity is indicated by the material from a joint meeting of representatives of commands of the B-H Army: the Suad Alic Brigade, the Neretvica Brigade, the Neretva Brigade, the Jablanica Opcina headquarters, and representatives of the B-H Republic MUP [Ministry of

Internal Affairs], and of the Hadzici, Jablanica, and Konjic public security stations, held 20 March 1993 in Hadzici, which VJESNIK is publishing for the first time.

In the meeting, according to the minutes, they made an "assessment of the newly arisen military-security situation in the region of Hadzici, Jablanica, and Konjic, but with respect to the HVO." It was concluded that "from the beginning of the resumption of talks in New York there has been a considerable deterioration in the relationship between the HVO and the legal government of the Republic of B-H and the B-H Army in that area." From what the minutes say, "the reasons are that the HVO is establishing a parallel government by force"; in their opinion, this is manifested in the "introduction of the tax system, flying the flag of Herceg-Bosnia on facilities which under regulations are not marked by ethnic features, the issuing of an order by the HVO prohibiting any vehicles of the B-H Army from the area between Konjic and Mostar, the usurpation of housing and office space, the increasingly frequent cases of highway robbery and looting, changing the names of certain settlements, disconnecting the Mobitel satellite telephone of Muslim subscribers solely because in communication with other persons they use the greeting 'Merhaba.'"

No comment is really needed for some of these things, because they are obviously untrue. The minutes go on: "On the basis of what has been stated and the decision of the Constitutional Court of the Republic of B-H nullifying all regulations establishing the HZ HB [Croatian Community of Herceg-Bosnia], the following conclusions have been unanimously adopted:

"All regulations adopted by the legal authorities of the Republic of B-H and these opcinas will be enforced on the free territory of Jablanica, Konjic, and Hadzici Opcinas.

"Joint stations are to be established to enforce the statutes referred to in Point 1 with forces of the MUP police and B-H Army at the places Aleksin Han, Pokulja, Ostrozac, Gradina, Ivan Sedlo, the intersection of the Tarcin-Kresevo roads, and Zovik.

"Units of the B-H Army strong enough to implement these conclusions are to be on the alert at all times in Jablanica, Donje Selo, and Bradina.

"The police station Butorovic Polje is to be put fully in operation to enforce legality and the government authority of the Republic of B-H, and forces of the B-H Army to be committed if necessary.

"Appropriate measures and actions are to be taken to immediately remove the HVO unit Nahid Kulenovic, because those forces which are in this area have moved in from the territory of other opcinas.

"Forces of the B-H Army are to be prepared to take the facility Zlatar at the earliest date.

"The station at Drecelj is to be torn down and all other stations of the HVO in these areas not designated by these conclusions are to be removed," concludes the minutes signed by representatives of the B-H Army and representatives of the Ministry of Internal Affairs of the Republic of Bosnia and Herzegovina.

Perhaps in the end it is clearer what the Muslim extremists really want—to destroy the HZ HB and to drive the HVO and Croatian population from these regions.

UNHCR: Srebrenica Residents 'No Longer Want To Leave'

AU2304101193 Paris AFP in English 0957 GMT 23 Apr 93

[Text] Belgrade, April 23 (AFP)—A relief convoy left Belgrade Friday [23 April] heading to the eastern Bosnian enclave of Srebrenica where it was to deliver food and leave without evacuating any refugees, a UNHCR spokeswoman said.

Lyndall Sachs, a spokeswoman with the United Nations High Commissioner for Refugees (UNHCR,) said the convoy reached the Serb border town of Zvornik by mid-morning and was being searched by troops there.

She said the 10-truck convoy would deliver food to the enclave but was not expected to evacuate any refugees.

"The residents of Srebrenica apparently no longer want to leave the town," she said. "They have been reassured by the deployment of Canadian U.N. forces in the enclave."

The 145 Canadian troops were deployed to the region Sunday to supervise a demilitarisation plan agreed to by Serb and Moslem military commanders.

Also overnight Thursday, five American, French and German cargo planes parachuted some 50 tonnes of food over eastern Bosnia before returning safely to their base in Frankfurt.

Since February 28, about 2,000 tonnes of food has been parachuted over the region.

Bosnian Serb Command Says Srebrenica Not Demilitarized

LD2204131093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1128 GMT 22 Apr 93

[Text] Bratunac, 22 Apr (TANJUG)—Members of the UN Protection Force [UNPROFOR] and the Muslim side have not fulfilled the obligations set out under the agreement on demilitarization of the Srebrenica area, turning it into a farce, the general staff of the army of the Serbian republic [in Bosnia-Herzegovina] claims. The Serbian side has fulfilled all the obligations assumed

under the agreement on demilitarisation of the Srebrenica area whereas the other participants have evidently failed to do so, General Manojlo Milovanovic, deputy commander of the army of the Serbian republic, told TANJUG.

According to a report by a three-member delegation of the army of the Serbian republic, who visited Srebrenica yesterday to supervise the surrender of the Muslims' weapons, a negligible amount of infantry weapons, mostly outdated and faulty, were surrendered to UNPROFOR members. No heavy or other weapons and military equipment were surrendered.

The officers of the army of the Serbian republic who were on the spot stress that in Srebrenica there are hardly any members of the Muslim armed formations as all of them remain in their combat positions, while the UNPROFOR members limited their mission to this town alone.

The Serbian side points out in particular the fact that the 16th and 114th Muslim brigade have not been disarmed; nor have other Muslim units designated as Cerska, Kula Grad, and the 6th Platoon of the Zepa Brigade.

The highest-ranking members of the state and military leadership of the Serbian republic told TANJUG yesterday afternoon that they fully trusted General Lars Eric Wahlgren, commander of the "blue helmets" for former Yugoslavia, who promised he would demilitarize the Srebrenica area by the agreed deadline. Obviously, according to Serbian military sources, General Wahlgren has failed to keep his promise. "All this is yet another attempt by the UNPROFOR to fool the Serbian people, something that may bring about far-reaching and unforeseeable consequences," the general staff of the army of the Serbian republic points out.

Seven Busloads of Muslims Expelled From Doboj

LD2204144993 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 22 Apr 93

[Text] According to the Information and Propaganda Service of the 110th Brigade of the Croatian Defense Council of Usora and the 7th Operational Group of the Bosnia-Herzegovina Army, the Serbs continue to ethnically cleanse Doboj. Yesterday, they expelled seven busloads of Muslims to Gracanica. Another 300 Muslims and Croats from Doboj are likely to experience a similar fate today.

Muslims Launch Artillery Attack on Doboj

LD2204195493 Belgrade TANJUG in English 1907 GMT 22 Apr 93

[Text] Doboj, April 22 (TANJUG)—Moslem armed formations in the late afternoon hours on Thursday [22 April] launched a heavy artillery attack on the defence lines of Doboj (northern Bosnia) and the town itself.

A general alert was sounded in Doboj at around 17:00 local time, and its citizens are still in shelters.

During the afternoon, Moslem forces deployed on the left bank of the River Bosna shelled Serb positions and communities on the other bank between Maglaj and Doboj.

Bosnian Serb republic army sources said that the enemy attacks in the past 24 hours were the heaviest in the Doboj-Ozren area.

Sarajevo Radio Reports Serbian Attack on Bihac AU2204175393

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1300 GMT on 22 April carries in its regular 30-minute newscast several reports on the fighting in the republic.

Reporting from Bihac, Mehmedalija Zulic says that "the chetniks from the barracks in Grabez launched a suicidal infantry attack today on the outskirts of Bihac. The members of the 502nd Glorious [Slavna] pushed the enemy back to his initial positions, inflicting heavy losses in men and equipment. In retaliation, the chetniks fired over 700 shells at the town."

In his report from Maglaj, Hajrudin Sermic says that "the chetniks have been fiercely shelling the defense today with recoilless guns and (?Vis) guns. Our positions in Plane have been pounded by an antiaircraft gun. Anti-aircraft machine guns are shooting occasionally at civilian targets in the northern part of town. The cease-fire in Novi Seher has been observed so far."

Izudin Durakovic reports from Gracanica that "it has been relatively quiet today. The 2nd Operations Group intelligence service has learned that mercenaries from Russia and units of the so-called (?Trebovski Bozuri), comprised of the extremists from the banned terrorist Serbian Democratic Party."

The studio announcer says that "last night and this morning, the chetniks fired over 150 shells at the free territory of the Usora River valley and Tesanj from the direction of Teslic and occupied Doboj. The chetniks have been using reconnaissance units with increasing frequency on this front. These units use Russian for communication. According to the information provided by the HVO 110th Usora Brigade and the Central Operations Group of the Bosnia-Herzegovina Army, the Serbs are continuing the ethnic cleansing of Doboj. Seven busloads of Muslims were evicted to Gracanica yesterday, and 300 Muslims and Croats are expected to be forced out of Doboj today to the free territory of Usora and Tesanj."

Reporting from Tuzla, Salih Brkic says that "Brnjik, Ratkovici, Celici, and Satorovici are under mortar attack. Over 70 shells have been fired at the time of this report. The shelling is continuing." He says that the "Kalesija Defense Command says that at about 1300 the

chetniks from (?Citluk) used a tank to attack Kalesija, which was simultaneously targeted by a howitzer from Osmaci."

Edhem Badzak reports from Konjic that "there are still no indications that there could be a halt in hostilities between the HVO units and the Bosnia-Herzegovina Army here. The HVO extremists, who have taken to the hills, are rejecting any possibility of reconciliation. They are maintaining provocative small arms fire from their positions. It is now around 1400, and there is no significant fighting going on."

The studio announcer says that the capital of Bosnia-Herzegovina is "mostly quiet" with "provocative small arms fire." He warns listeners to be wary of sniper fire, particularly in Centar and Novo Sarajevo.

Deputy UNPROFOR Chief Interviewed on Role of UN Forces

LD2204141193 London ITV Television Network in English 1900 GMT 21 Apr 93

[Interview with Cedric Thornberry, deputy chief of the UN Protection Force, in Zagreb by announcer Jon Snow in ITV studio on 21 April; from the "Channel 4 News" program—live]

[Text] [Snow] Well, joining us from Zagreb is Cedric Thornberry, deputy chief of United Nations Protection Force in former Yugoslavia. Cedric Thornberry, we've seen today evidence of UN forces, who must virtually be seeing murder going on in front of them and yet are powerless to act. How much longer can that go on?

[Thornberry] I think they are doing an excellent job. They don't have a mandate to do more than in fact protect the delivery of humanitarian aid in Bosnia. In Srebrenica they are now really on the front line and they are ensuring the defusion of what was until last weekend an incredibly inflammatory situation. The situation in central Bosnia, in the Mostar area, and to the north of it—Vitez, has been bubbling for some weeks. Unfortunately with the beginning of spring, the two sides, the presidential side, the Muslims if you like, and the Croats have decided to try to improve their positions. At the moment what the UN is trying to do, and we've been doing it with some success in Mostar today, is to arrange a cease-fire, return of troops to barracks, and a calming of the situation. We are looking with General (?Pelnas) who has been down there at the placing of some presence in Mostar. But I must tell you at the moment the Security Council doesn't give us authority to do that and so we will have to ask the international community what they want us to do and what kind of resources they are going to give us, in terms of people and in terms of material. We are indeed in a difficult position.

[Snow] Now that it is so clear that all ethnic communities are perpetrating appalling atrocities, that there is no simple argument between Bosnia and Serbia, or Bosnia and Croatia, that everybody's at it, isn't the Vance-Owen map in

itself now providing the clue to ethnic cleansing, people are ethnically cleansing their way through the map?

[Thornberry] Well, I must tell you the basic problem is that the Serbs have not accepted this, and because of the delay which has been created other people are trying to improve their position, there is a tension, a nervousness, an instability which is caused by the Serb failure to accept the Vance-Owen proposals.

[Snow] Are you aware that your forces in Srebrenica and Vitez for example are getting increasingly exposed because, okay there may have been a disarmament in Srebrenica, but they themselves may be becoming identified with the very forces that they have disarmed?

[Thornberry] I must tell you that we have been in this position since the beginning of the mission, we've been here I think for 409 days today. We have taken more than 440 casualties, 38 people killed during that time. The situation of our people in Vitez, the situation of our people in Srebrenica is very precarious, but frankly it is not very much worse than that of the people who have been in Sarajevo for the last year, who are the people who are on a daily basis running convoys through at times quite awful conditions. I think the world should be aware by now of the stupendous problems which this force is undergoing. We don't even have a peacekeeping mandate, as I said.

[Snow] Mr. Thornberry, thank you very much indeed for joining us.

[Thornberry] You're very welcome.

Serbian Republic Army Believes Air Strikes Probable

AU2304102193 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 21 Apr 93 p 7

[Article by M. Markovic: "NATO Ready For Combat"]

[Text] The UN Security Council resolution, an ultimatum and threat, did not come as a surprise to the Serbian people in the former Bosnia-Herzegovina, nor did it catch its army off guard, which is ready to defend the Serbian people's right to survival.

This is how the highest military circles of the Serbian republic [in Bosnia-Herzegovina] army briefly commented on the latest UN Security Council resolution. They stressed that the resolution can in no way be in the interest of peace, but rather in the interest of war. The high officials of the Serbian republic army estimate that air strikes carried out by NATO forces would only cause the conflict to flare up, which would be fatal for the entire world. However, such air strikes should not be ruled out. It is estimated that the primary targets would probably be airports, artillery positions and antiaircraft systems. This could be provoked fairly easily, which has been confirmed on numerous occasions: Whatever the

international pirates think up, they carry out. However, the army commanders hope that those who issue the command to attack are aware that significant military positions are situated in ethnically mixed areas, and that there are UN troops at the airports. In case of air strikes, they would not be allowed to leave!

Asked to comment on the two NATO aircraft that flew over Banja Luka two days ago and on David Owen's statement that the primary targets would include vital structures like communication centers that link the Serbian republic with the mother country, Serbia, the high officials of the Serbian republic army said:

Fighter jets over the Balkans are more than just to provoke and frighten the people. They are for reconnaissance and the detailed establishing of future air strike targets. The planes dropped "IC decoys" [IC mamci] in flight, which interfere with missile systems and ground radar so as to avoid being hit by our antiaircraft defenses, which we have not used so far. These are concrete preparations for future combat operations. We have undertaken all the necessary measures for resistance, and for the protection of our vital structures, to the extent of our authorization. We hope that the Yugoslav Army is also preparing for this. If David Owen says that, for example, bridges could also come under attack, then these structures should be the responsibility of Yugoslavia and its army.

* Tuzla Leaders Discuss Military Situation

93P50146A London AL-HAYAH in Arabic 5 Apr 93 p 7

[Report by As'ad Taha]

[Text] Tuzla—In the first of two separate interviews conducted by AL-HAYAH with the commander in chief of the Tuzla region, Hazim Sadic, and the governor of Tuzla, Salim Beslagic, the former ruled out the possibility of Tuzla falling into the hands of the Serbs in spite of the heavy weapons in their possession. He affirmed that all possible measures have been taken to prevent the fall of besieged Islamic Srebrenica. He said that he rejected "ethnic cleansing," whether it referred to the emigration of Serbs from Tuzla or the Muslims from Srebrenica.

The governor of Tuzla emphasized the challenges that his region faces: first, the refugees from eastern Bosnia and the provision of the necessities of life to them; second, organization of ordinary life in the region regarding cleanup and sewage; and third, information and focusing international public opinion on the reality of what is going on in the region. He said that dialogue and cooperation with the commander of the international protection forces in Bosnia, General Philippe Morillon, cannot continue "in light of his dealing with us as third-class human beings and his taking instructions from the Serbian leaders. If this (cooperation) was possible at the beginning of the war, it is no longer so."

Sadic affirmed in a meeting with AL-HAYAH at the command headquarters in Tuzla that all possible measures have been taken to prevent the fall of Srebrenica, but he indicated that most of the losses that this city has suffered so far have been due to Serbian shelling from artillery concentrated in Serbian territory. He said: "For this reason, I requested that (Muslim Bosnian President Alija) Izetbegovic, when he was in New York, expend the utmost effort to make a decision to get the border sealed off between Bosnia-Herzegovina and Serbia to stop the Serbian forces from pouring into our territory."

He added that four Serbian battalions containing 70,000 soldiers massed in this region at the beginning of the war, when the Serbian leadership made a decision to withdraw its forces from Slovenia and after that from Croatia and send them to Bosnia-Herzegovina, which became a country with one of the most heavy concentrations of weapons, if not the most of all."

The Bosnian commander said, "In their barbaric attacks on us, they used modern weapons of all kinds, which included long-range heavy artillery, surface-to-surface missiles, and even military poisons, and their aircraft did not honor the international air sanctions imposed on them." He added that the most intense phases of violent attacks began on his region in the middle of February "when 130,000 Serbian soldiers poured into our territory equipped with 100 tanks and other heavy weapons."

He mentioned that in spite of the fall of Cersca, his forces have been able to inflict tremendous losses on the Serbian forces in men and materiel, and "I am confident as commander here that these losses are what forced [Ratko] Mladic (the Serbian forces' commander) to sign the unilateral ceasefire, with the goal of gaining time in which he can reshuffle his cards and his forces to counterattack."

AL-HAYAH asked him whether the Serbian forces honored the ceasefire, and he answered, "For the last four days, I have toured various positions of the battlefield in my region. I can say that they are basically honoring it in many areas, but in other areas...this decision is not being honored. In the Srebrenica region, they (the Serbs) are not honoring it at all, and I can say that we are also attacking them. We should point out that signing the ceasefire was unilateral."

The military commander, who commands the largest free Muslim region, ruled out the possibility of the fall of Tuzla. He said that the Serbs possess long-range weapons and can shell Tuzla, but they cannot occupy it. He added that this "did not happen last May when we were weak, so how can it happen now?"

Sadic said that the Serbs plan to make the region of Bosnia under their control extend 20 km from the banks of the Drina River, which forms the Bosnia-Herzegovina border. He added, "We have made many attempts to open a road between Tuzla and Srebrenica, but we have not succeeded in this due to the heavy weapons in their possession." He affirmed, "If we were fighting with the

Bosnian Serbs, it would have ended a long time ago, but we are facing the fourth strongest military force in the world."

He disclosed that he visited Zagreb in November of last year and met the Iranian ambassador, who asked him what he needed to open the Tuzla-Srebrenica road. He gave him a list and received an Iranian promise to provide [these things], "but we have still not received them. If we had, circumstances would not be as they are now." He indicated that there are many international forces supporting the Serbs, "for example, in only the last few days, we have found 12 bodies of Russian fighters who were fighting in the Serbian forces' ranks."

He talked about the good relations with the Croats of the region. He said that they are represented in the army in accordance with their proportion of the population and that "there are Serbs fighting in our ranks in accordance with their proportion of the population, which is about 4 percent."

The military commander, who served in the Yugoslav Federal Army for 25 years, commented on General Morillon's role and mentioned that he rejects any form of ethnic cleansing. "For this reason, I absolutely do not support the emigration of Serbs from here or Muslims from Srebrenica. We oppose setting up ethnic regions because this means continuing the war endlessly."

In addition, Tuzla Governor Selim Beslagic, in his meeting with AL-HAYAH, noted the challenges facing Tuzla as follows: first, receiving the immigrants and refugees coming from eastern Bosnia and providing the necessities of life for them, such as shelter, food and medical care—requiring tremendous material effort and capabilities; second, organizing everyday life in the region on the level of cleanup, sewage and garbage, especially since the population of Tuzla has reached 200,000 from the pre-war 130,000; and third, information and focusing international public opinion on the reality of what is happening in the region. In this context, we are striving to establish a television channel, organize external contacts, and prepare an information center. [paragraph as published]

On Morillon's complaints about dealing with the Muslim leadership, he said, "He simply thinks that we are third-class citizens or human beings, and he takes his instructions and orders from Serbian President Slobodan Milosevic and the leader of the Bosnian Serbs, Radovan Karadzic. He should understand that we are part of Europe, and we bear its culture and civilization. In spite of this, we stand by everything that we have agreed on with him, but it is not possible to continue the dialogue and cooperation. He considers us unimportant. If this was possible at the beginning of the war, it is no longer so."

Responding to a question on denial of permission for the Serbs to emigrate, he said, "We do not deny this. Those among them who want to leave may do so, but they cannot return. Those among them who live with us must

be bound by and respect the laws and legitimacy of the nation of Bosnia-Herzegovina. We will not prevent anyone from leaving, but I can say that we now have more than 500 requests from Serbs who left at the beginning of the war and who now want to return."

He said that he is not satisfied with the role of the Islamic world on the Bosnia issue. "I cannot deny what we have received, but we expect more humanitarian aid. We have kept waiting in vain. We believe that the Islamic world possesses much with which it can pressure the world.... It possesses oil, and with this oil, it is able to achieve much for the victory of our cause. We do not ask that the sanctions imposed upon us with regard to weapons be violated, but we do ask for diplomatic pressure to lift the sanctions. We cannot ignore the Turkish role in this."

Vance-Owen Plan Leading to Country's 'Partition'

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15 Mar 93 pp 19-21

[Translation by Hilda Muftic of article by Teodor Gersak originally published in Slovene OBRAMBA in February 1993: "Paper Solutions Move Across the Ocean"]

[Excerpts] *The independent provinces of Bosnia-Herzegovina, with limited sovereignty, represent a possible transitional solution, which does not bring peace, but only secures time in which demands will be intensified to their maximum limits that Bosnia-Herzegovina actually be partitioned into two parts along the Cvetkovic-Macek line, while individual parts of this internationally recognized state will be annexed to neighboring countries at a favorable moment.*

The negotiations in Geneva on the political structure of Bosnia-Herzegovina, and the agreements on ceasing hostilities, have ended unsuccessfully. Cochairmen Vance and Owens have left further measures to the UN Security Council, but the solution sought, in spite of the move from Geneva to New York, remains completely unchanged. As it is, is it the only possible and best solution, and why are they thinking of simply imposing it through the authority of the Security Council? Will it possibly reject it? A political solution to the complicated situation in Bosnia-Herzegovina is based on the fact that this former Yugoslav republic, since last spring has been an internationally recognized sovereign state, which is being divided into 10 ethnic provinces—each people is getting three, while Sarajevo retains a special status as a province for all three peoples. The provinces are not international entities, but are linked in a federation that constitutes a sovereign state. The national constituent unit is organized at the level of a people. A change in the constitution is only possible through a consensus among all three constituent peoples.

Bosnia-Herzegovina is organized as an independent and integral state within its internationally recognized borders. In that way, the Serbian and Croatian attempts to have Bosnia-Herzegovina broken up and to have the

parts annexed to the neighboring states are being nullified. Through this solution, on which the international community is insisting, Serbia is thus not gaining by any means Karadzic's parastate, the republic of Serbian Krajina, while Croatia is not gaining Boban's Herceg-Bosna. It is even more important that this eliminates any other, longer, indirect or more roundabout way of dividing Bosnia-Herzegovina that the Greater-Serbian politicians would like to achieve through phased settlement of the Bosnia-Herzegovina problem. The provinces and the constituent national units are not recognized by international law, and so the possibility of secession is therefore excluded. The provinces are not international entities in any respect; they cannot conclude either treaties or agreements with other states or international organizations, nor ones on joining military, state, or political alliances with neighbors. That means that none of this can be concluded with the neighboring states either—thus, neither with the so-called FRY nor with Croatia, while the Muslim provinces cannot conclude such alliances with the Muslim countries. Since for now the constitutional principles do not yet define the central authority precisely, it is possible, in spite of this, to expect that the central authority will not have its hands free to conclude such treaties with other states either, and instead agreement among all three peoples will be needed, with each people having the right to veto.

A federation of 10 ethnic provinces and three peoples who are organized into three national constituent units represents a special state structure. This state cannot be described as a federation of Croatian, Muslim, or Serbian states, but rather as a federation of 10 mutually demarcated provinces that do not have an independent foreign policy. They cannot secede from Bosnia-Herzegovina in a legally binding manner, since the state constitution can only be changed with a consensus among all three constituent units; they cannot unite with other states, or become independent transportation-trade and economic entities. The constitution recognizes the constituent status of the Serbian, Croatian, and Muslim ethnic cultural communities, which, however, do not have their own assemblies, since the political, customs, monetary, and communications union of the 10 provinces is being formed in the state. The provinces, however, have their own assemblies, which are unicameral. Each province administers its own economy, culture, and school system, and takes care of protecting and promoting its own ethnic, cultural, religious, and other characteristics. The highest sign of the province's sovereignty is represented by the provincial police, since after the war Bosnia-Herzegovina is to become the first demilitarized and disarmed state in Europe, so in that respect it will be under the supervision of the UN and EC for many years to come. [passage omitted]

The Geneva Negotiations—International Brokering

The ethnic provinces and national constituent units, in the given historical circumstances, represent possible transitional solutions for an ethnically extremely segmented and confrontational society with a strongly

expressed identity for the individual ethnic entities. Although the Geneva solution is not based on the sovereignty of peoples, it will cause a large migration of the Bosnian population in the direction of its own national majority. In that insane war and with its consequences, the independent, limited-sovereignty provinces of Bosnia-Herzegovina represent a possible transitional solution, although it is unlikely that it applies to everyone. In the long run, such a solution does not bring peace, but rather only ensures a period during which there will only be an exacerbation to extremes of the demands that Bosnia-Herzegovina actually be partitioned into two parts along the Cvetkovic-Macek line, while individual parts will be annexed to neighboring countries.

Since the West is under unbearable pressure from its own public, and because it is living in fear of the danger of the conflict's spreading first of all through the Balkans, its primary goal is to halt the war in Bosnia-Herzegovina at any cost without its own military involvement, while simultaneously preserving the reputation of world politics. The Geneva solution was therefore based on dividing up Bosnian land and separating the Bosnian Serbs from Serbia. In the long term, the present solution does not ensure a lasting peace at all, and instead, by establishing a sort of status quo, in spite of the international recognition of Bosnia-Herzegovina, allows legalizing its partition. The Geneva proposal does not ensure long-term prospects for establishing a stable state at all, but rather neutralizes even the joint small foundations of the Bosnian state that were formerly achieved. The proposed solution is envisioned in such a way that all things will be cleared up by themselves. That course, however, does not depend just on the situation in Bosnia-Herzegovina, and is primarily affected by the fact that several big problems of world politics are overlapping in Bosnia-Herzegovina. In that respect, Bosnia-Herzegovina only represents a guinea pig.

In Bosnia-Herzegovina, strategically a completely unimportant area, after the conclusion of the Cold War two concepts of the future military order of the future United States of Europe have confronted each other. Behind both concepts is the issue of where to route billions of dollars in the future. Military purchases, along with oil purchases, are the biggest in the world, and consequently, it is precisely through the crisis in Europe—and through Bosnia-Herzegovina—that an attempt is being made to prove to the advocates of an independent Europe that the NATO pact's existence in Europe is necessary, and that it cannot be replaced by any sort of Western European political Union, or in the long term by the EC with its own military organization, but rather by the CSCE [Conference on Security and Cooperation in Europe], which is a transatlantic organization and to which the United States belongs, and in the future NATO as well.

After the Central European Initiative, as a New Year's gift from Europe, Bush was offered a beautiful opportunity to force the biggest advocate of an independent

Europe, Mitterrand, to compromise. After their meeting in Paris, it was decided that a possible military operation in the Balkans would be carried out by NATO and not by the Western European Union. That is a big defeat for the advocates of European independence from the United States, and a defeat for those who want to assign Europe the position of the first great power in the world, which would have its own military force and defense industry.

Furthermore, the homogeneity and complexity of the interests of the Islamic Conference Organization are being verified on the territory of Bosnia-Herzegovina, as part of solving Islamic problems in both Europe and Asia. Those who are afraid of a new bipolarism and cold war between the West and Islam, which already possesses nuclear weapons, are on this occasion primarily verifying the solidity of the alliance within the Islamic Conference, especially the alliance among Egypt, Pakistan, and Saudi Arabia and their ties with Turkey, to which the United States has assigned the role of a new subregional power in southeast Europe and in the former Soviet Muslim Asian regions. The problem of the Muslims in Bosnia-Herzegovina is also being used to verify the coordination of the reactions of Iran, Pakistan, Afghanistan, and Kashmir, and so they can influence the former Muslim Soviet ethnic region. Perhaps Bosnia-Herzegovina is only an experimental model for tomorrow's Kazakhstan, Uzbekistan, Kirghizstan, Turkmenistan, and especially Tadzhikistan, which the descendants of the Persians live.

One also should not underestimate the Western tactical maneuvering with Bosnia-Herzegovina because of the situation in Russia as well. The West is afraid that the Balkan syndrome might occur there too, since a full 22 percent of the Russians live outside Russia, from the Baltic countries, Belarus, Ukraine, the Transcaucasus, and all the way to Kazakhstan. Russia also has a large number of autonomous provinces and regions and even autonomous republics for those who are not of Russian nationality. The question is constantly being posed for the West of what will happen if the Russians outside their state also start to establish some sort of "krajinas" of their own, and if about 30 to 70 million people start fleeing to the West. It is precisely Kazakhstan, with 40 percent Russians, that can be compared to Bosnia-Herzegovina. For certain reasons the West obviously does not want to act rashly and wants even less to seal the fate of the "Serbian Krajinas," but prefers, in the event of a coup in Russia, to choose the longer path and leave an open door that permits retreat. Russia's cooperation in solving world problems is also being tested in Bosnia-Herzegovina. It is precisely in Bosnia-Herzegovina that it is possible to monitor which world problems the Russians are especially interested in during the period after the Cold War. It was immediately shown in Bosnia-Herzegovina how the Russians were affected by the Americans' unilateral action against Iraq.

After the Cold War, naturally, a new place is also being sought for Serbia. In spite of Serbia's completely unreasonable policy, the United States is trying to assign it the

role of a regional power which, through its military power, would become a pillar of stability in comparison with its neighbors. For that purpose, it is not bothered by the Serbian brutality in Bosnia-Herzegovina, but rather by its friendship with Greece, as a result of which an Orthodox bloc is emerging in the Balkans; it is also restraining Turkey, to which the role of a subregional power in southeast Europe has been assigned. This is also the reason why the United States will not recognize Macedonia before it is recognized by the EC. Accordingly, Serbia is one of those states in the world which the great powers will never completely leave to their fate, because of their geostrategic importance.

In short, there are significant international reasons why the West is only redirecting the present crisis into a long-term crisis of the status quo. Anyone who thinks that big world politics is offering a honest solution for Bosnia-Herzegovina is seriously mistaken. After 16 years of arduous analytic work in the area of international military and political relations, I am quite aware of it.

The Solution Sought Is a Disaster for Ordinary People

In a political sense, the Geneva solution only leads to the complete destruction of the once already realized political, economic, and social foundations and the cultural pluralism of the Bosnian state. The fact that two peoples, thanks in large part to the West, have become only remnants of two external ethnic and cultural homelands means that the Bosnian community will not be reintegrated, but will instead be completely disintegrated. In the long term no state could survive on such foundations, especially not after everything that has happened in Bosnia-Herzegovina, which is so segmented, and in a cultural sense has been a literally mixed society for centuries in terms of folklore. It causes only the resettlement of peoples and overall, leads to catastrophe.

Without a link between the Bosnian Croats and Serbs and their external cultural homelands—Croatia and Serbia—at least in the form of some sort of new Yugoslav association, Bosnia-Herzegovina cannot survive as a state in the long term. There would not be peace in either state, however, if things were allowed to become so complicated that the two peoples begin to feel only like remnants of some neighboring state. No state has yet survived on such foundations. That is also known quite well by the architects of the Geneva solution; in spite of that, it does not bother them to compare Bosnia-Herzegovina to Switzerland. Switzerland, however, has a definitely plural cultural space in which nationality does not enjoy a constitutional position at all, without having the Swiss who speak German being declared members of the big German people, or having the Romance part of the people choose membership in the French or Italian people. Everything is based only on different language areas in the common Swiss cultural space, and respect for human rights from the local to the federal level and on the stable currency, which along with everything else serves as the main factor in cohesion. If it once happened, for instance, that people in France started to earn

twice as much as the Swiss who speak French, there could probably be separatist aspirations appearing in Switzerland, in spite of seven centuries of tradition.

In Bosnia-Herzegovina the former Bosnian plural cultural identity and the old interethnic ties have been completely destroyed, while new ones that would link them into a new state do not exist. A Bosnian currency can only be a divisive factor.

Consequently, in the long term, everything will turn into ethnic division and a geoterritorial partition of Bosnia-Herzegovina, and the state will inevitably collapse, just as Yugoslavia did in spite of its constitutional guardians.

It is likewise impossible not to see the fact that as a consequence of the present solution, a second round of ethnic cleansing will inevitably be initiated. Because of the distrust, hatred, and a feeling of being threatened and responsible, people are no longer capable of living together; consequently, the solution based on ethnic provinces means not only the indirect recognition of the new geopolitical realities achieved by war, but also the beginning of the resettlement of several hundreds of thousands of people—no matter how much the authors of the solution strove as much as possible to conceal it. In reality, the paper solution will unfold between the inhabitants of the Dinaric area quite differently from the way that its Geneva creators are portraying. Because of the war, the present distorted and altered ethnic picture is facing yet another phase of changes, which will occur because of capillary terror. In 10-15 years the ethnic composition of the present ethnic provinces (naturally, if they come to be at all and if the Balkans do not shape their own fate) will be so changed that we will be able to say that the project of breaking up Bosnia-Herzegovina has definitely been completed. We can likewise expect that about a million people will migrate to other areas within Bosnia-Herzegovina, either because of the Serbian model of ethnic cleansing, or because of the slightly slower method of Croatian human resettlement. In view of these facts, it would perhaps still be better to form more compact constituent units.

When world politics offered the Geneva solution, it naturally also thought about solving both the Russian and Muslim problems. Although it was prepared on the basis of ethnic majorities, its starting point provides that during the first phase of the solution, the Serbian area will be broken into two separate parts in such a way that between them, a Muslim-Croatian ethnic screen will be inserted across Bosnia-Herzegovina, and at the same time an internal fragmentation will be carried out. The same starting point has been taken for the Muslims, since the Cazin Krajina and central Bosnia are likewise being divided into two separate ethnic communities, and they are likewise being separated from Sandzak. The same principle is also being applied with respect to the Croatian people, part of which is located in the Sava basin and the other in Herzegovina, with isolated parts in central Bosnia. With this kind of overall ethnic fragmentation, during the present stage it is actually the

Bosnia-Herzegovina Croats who have achieved the most (the line of the Cvetkovic-Macek agreement has been almost completely achieved), since both of the ethnic parts are directly bordering their external ethnic homeland, Croatia. The solution is considerably more unfavorable to the Serbs and the Muslims. Admittedly, through it the Muslims are obtaining the richest parts of Bosnia in terms of industry, raw materials, and energy, but territorially they have been harmed the most, and consequently we can expect demands from them for corrections of the map of Bosnia-Herzegovina, increased territory, and even greater internal links, and an outlet to the sea will also be sought in the region of Neum.

One cannot, however, overlook the fact that in the short term, the Muslims in Bosnia-Herzegovina are being given only the role of a buffer between the Croats and Serbs, since in the long term it is not in Europe's interest to have a Muslim state created on the old continent. That is why they were also allocated only a quarter of the territory. With the embargo on arms imports, Bosnia-Herzegovina's defense has been prevented, in the east-west direction it has been broken into four parts, and in the north-south direction, it has been broken up along the Cvetkovic-Macek line into two parts. All of the three Muslim provinces now proposed are located in Cvetkovic's former and Milosevic's present interest zone, while the southern Muslim part has been literally stuffed into Macek's former and Tudjman's present interest zone. Furthermore, it did not bother them that the Muslims constitute a majority in as many as 10 municipalities in central Bosnia that now belong to the Croatian Herzegovina provinces. That, naturally, causes distrust, hostility, and conflicts. The Muslims, who have been nationally almost cut in half in the present persecutions, expulsions, and killings, if they remain in the present sandwich position, will be decimated in time to the desired size with less than 16 percent of the population, i.e., they will be reduced to the level of religious and cultural autonomy. [passage omitted]

The Serbs Are Seeking the Key for a Later Partition of Bosnia-Herzegovina

The assembly of the self-proclaimed republic of Serbian Krajina [RSK] claims that the Serbian people cannot be left without the right to form and establish a constituent state entity as an indivisible and inalienable part of the Serbian nationality, and they likewise claim that they cannot allow the establishment of a state for their people unless it is geographically linked and adjacent to Serbia. In short, they insist upon the sovereignty of the Serbian people in Bosnia-Herzegovina, within the ethnic borders achieved by war, and with territorial and geographic cohesion. That means that in the present phase of the constitutional establishment of the provinces, they are demanding a territorial and geographic connection among the ethnically cleansed area that they have seized, while, on the other hand, they want to achieve the kind of political solution that will make it possible, through the sovereignty of the Serbian people in Bosnia-Herzegovina with the right to self-determination, to

unite in a federation of Serbian lands in the Balkans in several years, by peaceful and legally clean means. They are consequently accepting the present model of a sovereign Bosnia-Herzegovina solely as a transitional phase on the way to final annexation to Serbia. [passage omitted]

One can conclude from all this that the Serbs by no means intend to remove themselves voluntarily from the significant territories that they have already occupied and ethnically cleansed. Although under strong international pressure they accepted a third of Vance's Geneva solution, i.e., only its abstract principles, in reality that does not represent any particular progress from the present positions and demands, and they will try to achieve the fulfillment of their demands in future negotiations, with changes in the present proposed map of Bosnia-Herzegovina. One should therefore expect that there will not really be peace for a long time, because the Serbs not only want a great deal of political autonomy and geographically linked territories, but also their own police and army. That, however, will require at least changes in the present proposed divisions into provinces.

If the Serbs really did accept such a heterogeneous and disconnected arrangement of their three provinces, and not just by signing an agreement like the ones they have already cheated on countless times, they would actually be giving up everything that they started the "war" for: their territories would remain geographically disconnected, they would remain without the main industrial and mining basins and electric power plants, and they would have to withdraw from about 24 percent of the territory seized by violence, and also from the Sava basin corridor that connects the self-styled RSK in Croatia (previously called the Serbian Republic of Krajina, eastern Slavonia, and western Srijem) with the Republic of Krajina, the self-styled Serbian Republic of Krajina in Bosnia-Herzegovina, and seek a special arrangement for it in the fourth constitutional principle, which they did achieve. Except for the Banja Luka basin, all the other industrial basins and all the defense industry potential are outside the Serbian provinces; the Serbs would be left with only the Gacko and Ugljevik thermoelectric power plants and two smaller hydroelectric power plants, and they would have to give back Jajce I and II (Banja Luka has already been in darkness for more than half a year). They would be considerably isolated in terms of transportation, and along with economic isolation and the opening of new corridors for UNPROFOR [UN Protection Force], they would also be asked to allow the refugees to return—and in that way they would once again indirectly lose the ethnic purity of their territories.

By accepting the Geneva solution, the Serbs would lose the war that they started and waged so ruthlessly, and their military successes would become senseless, since they did not permit them to achieve their fundamental goal, i.e., maintaining the conquered cohesive geographic entity as an ethnically cleansed area along the Drina basin and Danube basin zone facing Serbia.

Serbs Also Losing Militarily

If the Serbs moved to the areas that are planned for their provinces, then they would no longer be capable of continuing offensive pressures even if they were not disarmed, since their military capacity, which is now unified, would no longer be territorially connected. For the most part they would have to give up all the more important military corridors, ground connections, and the more important topographic points on which they built the fortifications from which they fired upon cities.

In a military sense, the Geneva solution only offers the Serbs withdrawal into a complete strategic encirclement, and forces them into the final collapse of their military power and offensive combat actions. From the three mutually separated provinces that are furthermore also separated from Serbia, they will no longer be able to wage war or conquer other people's territories.

Their largest cohesive ethnic entity, the Banja Luka Province, is a real island in the Croatian and Muslim encirclement; from the standpoint of military strategy, this means that they only have available their current stocks and reserves and that they not have any possibility of bringing any new modern weapons in from Serbia or taking them out for repair and maintenance in Serbia. The Nevesinje Province is in almost the same unenviable situation; it consists of three separate parts arranged in a sort of belt, of which two are operationally completely encircled like islands in the middle of the Muslim ethnic area.

If the Croatian and Muslim forces started a more serious offensive, the Knin-Banja Luka complex of Serbian Krajinas (i.e., the Serbian Krajina in Croatia and the Serbian Banja Luka province, i.e., no. 2) would soon fall, especially since the Cazin Krajina, i.e., a large Muslim entity, is in between them. The Serbs would therefore have to establish an external and internal circular defense (external around the occupied and ethnically cleansed territory in Croatia and Bosnia-Herzegovina, and internal, i.e., around the Bihac province). If the Croatian-Muslim forces succeeded in establishing a corridor across both circular defenses, that would be a catastrophe for the Serbs. That would mean the Serbs' voluntary withdrawal into a strategic encirclement, and they would be forced to deploy their forces to protect the extremely long borders of their provinces or deploy them along the front lines of the conflict. Without a direct connection to Serbia and to their own territories, the Serbs would actually be left empty-handed, without the ability to legalize their successes which they achieved through warfare. If they did abandon control of the heavy weapons to UNPROFOR, as they are being asked to do, their military strength would fall below the level of their opponent, and that means that anyone who thinks that something like that is possible is living in the clouds. In the situation that they would find themselves in, they would no longer be able even to think about any future warfare, and they would only be left with political negotiations, which the Serbs are not even venturing to

think about after their military successes to date. The fact that they signed part of the Geneva agreement and while doing so showed their contempt can be seen from the attacks during the establishment of the cohesive entity and the broader corridor, which were continued during the Geneva negotiations. [passage omitted]

What Can Be Expected From the Serbs in Negotiations?

[Passage omitted] Because of their interests, the Serbs intend to accept the signed documents only conditionally and partially. In spite of the signature, they do not intend to accept the Bosnian constitutional agreement as a whole, and in any case they will not take cease-fire agreements seriously. Signatures only serve them as an aid for moving between the conference table and the battlefield, in which they pretend to be great peace-makers, while at the same time turning the crisis in the Balkans into a long-term crisis of the status quo. Their main intention is still to overthrow Bosnia-Herzegovina behind the scenes and break it up.

Consequently, no one should delude himself that peace will be established soon in the Balkans, as Croatian

President Tudjman is promising his people. It is much more realistic to expect that the crisis will smolder in different forms for more than a decade, and that it will occasionally flare up, unless that is prevented by the Muslim countries and big world politics. Major changes, and much less peace, cannot be expected in the field for a long time to come without strong international pressures. Whatever solution big world politics invents, however—from a possible UN protectorate over Bosnia-Herzegovina, or only an expanded UNPROFOR mission, or the use of NATO forces—or if it rejects the Geneva proposal, events will take place according to their own Bosnian models. The crisis will probably assume different forms, but the ethnic cleansing of territories and the resettlement of people will continue even with the Geneva paper solutions.

Big world politics had to stop the Serbian war of conquest a long time ago by decisive military action, instead of waiting for the aggressor to destroy half the Balkans, drive about 3.5 million people from their homes, and kill about 300,000 of them. It is humiliating both for them and for us that the outside world, on one hand, is declaring those who cooked all this up to be war criminals, and on the other hand, is negotiating with them and even receiving them with full state honors as interlocutors.

Size of the Territories and National Structure of the Ethnic Provinces

Muslims					
Province's Numerical Designator and Name	Area (sq km)	Population	Percentage of Population		
			Muslims	Croats	Serbs
1. Bihac	3,300	345,000	75.0	5.0	12.0
5. Tuzla	8,000	815,000	66.0	4.2	24.6
9. Zenica	3,400	475,000	18.0	18.0	15.6

Muslim provinces 1, 5, and 9 will cover 28.8 percent of Bosnia-Herzegovina's territory. Of the total of 1,908,000 Muslims in all of Bosnia-Herzegovina, 1,071,000 Muslims will live in them, i.e., only 56.1%. As many as

29.9%, or 549,000 Muslims, will be left outside these three provinces and outside Sarajevo, as a province with a triple status where 14 percent of Bosnia-Herzegovina's Muslims live.

Croats					
Province's Numerical Designator and Name	Area (sq km)	Population	Percentage of Population		
			Muslims	Croats	Serbs
3. Odzak	2,000	240,000	12.0	50.0	32.0
8. Mostar	6,000	355,000	28.8	54.2	11.1
10. Travnik	5,500	384,000	38.0	43.6	13.0

Croatian provinces 3, 8, and 10 will cover 25.4 percent of Bosnia-Herzegovina's territory, and of the approximately 753,500 Bosnia-Herzegovina Croats, 477,000 or 63.4 percent of all Bosnia-Herzegovina Croats will live

in them. Outside these three provinces and outside Sarajevo (where 6.9 percent of the Croats live), 29.7 percent or 226,000 Croats will be left.

Serbs					
Province's Numerical Designator and Name	Area (sq km)	Population	Percentage of Population		
			Muslims	Croats	Serbs
2. Banja Luka	13,000	800,000	17.0	10.0	65.0
4. Bijeljina	1,600	180,000	34.0	1.0	60.0
6. Nevesinje-Romanija	7,000	146,000	24.1	0.5	70.7

The Serbian provinces are 2, 4, and 6, and they will cover 42.3 percent of Bosnia-Herzegovina's territory, and of the approximately 1,363,000 Bosnia-Herzegovina Serbs only 52.8 percent, or 719,000 Serbs from Bosnia-Herzegovina,

will live in them. As many as 36.5 percent, or 480,000 Serbs, will be left outside these three provinces and outside Sarajevo (where 10.7 percent of them live).

Sarajevo					
Province's Numerical Designator and Name	Area (sq km)	Population	Percentage of Population		
			Muslims	Croats	Serbs
7. Sarajevo (special status)	1,800	540,000	54.2	9.6	27.2

Report on Tudjman, Clinton Meeting in Washington

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[Text] Croatian President Dr. Franjo Tudjman met with U.S. President Bill Clinton in the White House. Prior to that President Tudjman dined with U.S. Secretary of State Warren Christopher. Before his departure from Washington President Tudjman is to have talks with Vice President Gore. Let us hear a report by Croatian TV correspondent Damir Matkovic:

[Matkovic] The central topic of talks in the White House between President Tudjman and President Clinton was how to solve the crisis in Bosnia-Herzegovina and in Croatia. The two presidents had talks within the framework of a reception that President Clinton hosted for the heads of state and prime ministers who are to attend the ceremonial opening of the Holocaust Memorial today.

President Clinton was interested to hear about the Croatian stand on a resolution of the crisis, causes for the latest conflict between Muslims and Croats in Bosnia-Herzegovina, and chances that the Croatian president, by his authority, could halt fresh conflicts in central Bosnia.

President Tudjman said that the Vance-Owen plan is an acceptable basis for resolving the crisis, but that it should be modified so that the peace plan includes more elements of confederalism. The Croatian president supports an idea that with a view to resolving the crisis on the territory of former Yugoslavia the U.S. President should convene a new Camp David, while negotiations should involve, in addition to all warring sides in Bosnia-Herzegovina, also representatives of states of the former Yugoslav Federation, but also the president of Russia which obviously has an influence on and interest in the Balkans.

President Tudjman also believes that such a conference would be purposeful only if the international community, that is, the United States, the United Nations, NATO, and the EC are ready to impose a military solution.

President Clinton said that he will think about the Croatian proposals and added that Croatia has played a positive role in searching for a peaceful solution and that he is convinced that it will be so in the future as well.

Serbian Military Rejects Demand for Release of Croats

AU2304091593 Paris AFP in English 0908 GMT 23 Apr 93

[Text] Zagreb, April 23 (AFP)—Four hundred Croats from Serb-held Benkovac on the Croatian coast have been missing from Bosnia for a month after negotiations with Serb military authorities for their release failed, the Croatian news agency HINA reported.

The Croatian authorities had tried to negotiate for the transfer of the 400 Croats to Croatian territory, but the Serb military forces rejected their demand, HINA reported.

The United Nations Protection Force (UNPROFOR) was informed of the situation and was urged to intervene, Hina said.

Meanwhile a Czech defense ministry spokesman reported that a U.N. soldier killed during an artillery attack in southern Croatia on Thursday [22 April] was a Slovak, a member of the joint Czech and Slovak UNPROFOR, and not a Czech as the U.N. originally indicated.

A Czech and Slovak UNPROFOR control point, situated near the town of Licki Osik, was shelled Thursday during an artillery battle between the Croatian and Serb forces.

Fog made it difficult to determine which direction the fire was coming from, the spokesman said.

RSK Says UN 'Doing Nothing' To Halt Croatian 'Aggression'

LD2204140193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1232 GMT 22 Apr 93

[Excerpt] Knin, 22 Apr (TANJUG)—The general staff of the army of the republic of Serbian Krajina [RSK] has announced that one soldier of the peace force's Czech battalion died and another two were wounded in the course of an attack by Croatian artillery on a UN Protection Force [UNPROFOR] checkpoint in the Kuzmanovaca area. At the same time Croatian forces also targeted the villages of Divosel, Citluk, Pocitelj and Medak, as well as other Serbian villages and hamlets. In Medak, Jovan Potrebic (35) and a girl, Jasmina Uzelac (13), were killed in their house during this artillery attack.

Following the tragic events at the UNPROFOR checkpoint, the RSK civil and military authorities expressed their condolences to the Czech Battalion Command and personally to the commander of Sector South, General Arap Rob.

A statement released on this occasion says among other things: "We want to express our indignation at the fact that international factors and the UN Security Council are doing nothing as Croatia's aggression against the RSK, formally protected by the UN force, escalates. We do not want to believe, and hope, that Croatia is not under the true protection of the United Nations and the Security Council."

"Was the death of French soldiers, killed by Croatian artillery at the beginning of Croatia's aggression against the RSK, not a sufficient warning to the world "that the ustashas have not changed regardless of whether their state is called the Republic of Croatia or the Independent State of Croatia," the statement stresses. [passage omitted]

Army Responds to Attacks on Gospic; Two Killed*LD2204160093 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 22 Apr 93*

[Excerpt] Two persons were killed and five wounded. Many houses and apartments, just renewed from previous damages, were destroyed. These are the results of today's chetnik artillery attack against Gospic. In addition to Gospic which was attacked this morning when its inhabitants were going to work more than 500 shells were fired on Croat positions in Stari Licki Osik, Vuksic, Bilaj, Ribnik, Rizvanusa, and Perusic. The attacks lasted until 1200 and having lodged a protest with the UN Protection Force the Croatian Army was forced to respond. [passage omitted]

Mesic, Skrabalo, Delegation Return from Ankara*LD2204214993 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 22 Apr 93*

[Text] Members of a delegation of the Republic of Croatia led by Croatian Assembly Speaker Stipe Mesic, Croatian Foreign Minister Zdenko Skrabalo, and Corps General Anton Tusmain, military adviser to the president of the republic, returned to Zagreb this afternoon having attended the funeral of Turkish President Turgut Ozal.

In a statement following their return Mesic expressed the conviction that Croatia will continue to cooperate with Turkey. He stressed that Ozal was a great advocate of the cooperation between the two states and added that President Tudjman's visit to Turkey soon will be yet another confirmation of the friendship.

Croatian Foreign Minister Zdenko Skrabalo stressed that the Croatian delegation had a series of talks with representatives of Slovenia, Bosnia-Herzegovina, and Macedonia and with Albanian President Sali Berisha who is to visit Croatia soon.

Zagreb Jews Protest Rehabilitation of War Criminal*93BA0877G Belgrade POLITIKA in Serbo-Croatian 24 Mar 93 p 8*

[Article by R. Arsenic: "Mile Budak's Rehabilitation Opposed"]

[Text] Zagreb, 23 Mar—The persistent attempts to return to the Croatian public scene Mile Budak, Ustasha right-hand man and war criminal, as a "distinguished son of Croatia," is continuing to encounter resistance and is making political waves here. Thus, a protest letter from the Jewish Community in Zagreb was published today, and this "hot" topic seems to have confused the editors of VECERNJI LIST to such an extent that in two places in the same issue they published almost exactly the same article (one the original letter of the Jewish Community, and the other the same letter from HIN [Croatian News Agency]).

The letter signed by Dr. Ognjen Kraus, chairman of the Council of the Zagreb Jewish Community, says that the newly elected council "is disturbed to find that competent bodies of the Assembly of the city of Zagreb have for several weeks now had on their agenda, without yet rejecting it, an initiative of unknown sponsors to name one of the streets in the city of Zagreb after Dr. Mile Budak, Croatian writer."

The letter goes on to recall that "as is well-known, Dr. Mile Budak, in addition to being a writer, was also a top Ustasha adviser, a deputy prime minister of the Ustasha NDH [Independent State of Croatia], and its minister of religion and education. In that capacity, he signed a number of legal provisions that were racist in content, and he was also the sponsor and implementer of some of them (for example: the 'Legal Provision Protecting the Ethnic and Aryan Culture of the Croatian People,' dated 4 June 1941)."

It also recalls that Budak "in 1941 delivered numerous speeches at mass rallies all over Croatia, which were covered at length in the newspapers at the time, in which he disseminated the spirit of ethnic intolerance and enmity, especially toward Jews and Serbs," and "as one of the most distinguished leaders of the Ustasha movement and regime, he was one of those who shared the blame for 31,000 of our fellow Jews on the territory of the NDH of that time, in all, about 76 percent of the members of our community, who were killed only because they were Jews."

Pointing out that Mile Budak was convicted as a war criminal and "would have been convicted as a war criminal before the court of any civilized democratic country on the basis of rabid speeches which have been published and the provisions of the laws which he signed," the letter goes on to say:

"If anyone should wish to prove the opposite, he would have to call for a review of the trial and have the conviction overturned. Until then, Dr. Mile Budak is a war criminal, and it is inappropriate and contrary to international convention, which the Republic of Croatia has also entered into, to pay honor to a war criminal, as has been proposed. We demand that the Assembly of the city of Zagreb reject such initiative and rescind the registration of streets, local communities, and other institutions which have already been named after the war criminal Dr. Mile Budak. On this occasion, we also wish to protest other attempts in our city and in our republic to rehabilitate certain figures and symbols of the Ustasha NDH. We cannot forget that this a criminal state, that the Ustashi were the cruellest implementers of Hitler's plan to destroy the Jewish people, and that they also committed serious crimes against members of other peoples, including the Croatian people."

Role of Party in VJESNIK Before 1990 Examined

93BA0859A Zagreb DANAS in Serbo-Croatian
26 Mar 93 p 26

[Article by M.B.: "Party as Editor"]

[Text] Before we turn to individual cases where business and organizational policy contributed to the breakup and collapse of the VJESNIK newspaper group (VEČERNJI LIST, VJESNIK, ARENA, GLOBUS, REVIJA publications, the role of Printing House and Press (sales), the activity of the Agency or Administrative Board), it is necessary to briefly explain the way in which the house operated before the new Croatian authorities came to power in June 1990. The most reliable sources for that period are official documents from the personnel commission at the time, questionnaires by individual participants submitted to the personnel service, the in-house publication MALI VJESNIK, special editions issued on various occasions, such as "Bilo je casno zivjeti s Titom" [It Was an Honor To Live With Tito], and especially "Vjesnikov leksikon 1945-1990" [The VJESNIK Lexicon 1945-1990], which included all the important dates and figures active at the house during that period. It indicates, for example, who all received the Golden Wreath Order of National Merit, who received a journalism award in what year, which journalists (as permanent employees or outside contractors) worked for which newspapers, how they were transferred and given new assignments or, after party chastisement or expulsion, how they left. It is also interesting to read about how the recently deceased, competent journalist Kresimir Dzeba was removed from the post of chief and responsible editor of VUS (VJESNIK on Wednesday) on 1 December 1971 (Karadjordjevo), and even more interesting to learn what people succeeded him in the years that followed, who all was employed by VUS and other editorial offices, and how they advanced during that period, which was characterized by a witch-hunt against "Springist" [referring to nationalist "Croatian Spring" movement of late 1960's and early 1970's] colleagues, the main mission, we read today, being the "struggle against Croatian nationalism" and "reactionary circles in the Vatican and West."

It is not without pleasure that one can also read articles by journalists who are now critically disposed, as they sycophantically applauded the anti-Croatian government of the time, swooped down on emigration (guest workers), spat at colleagues infected by the "virus of nationalism," who were then dismissed and left without income and outside their profession, although this was not enough for the sycophants who sought "more appropriate punishment" for them. But the epitome of pleasure is to read old reports to the personnel commission by people who today are "greater Croats" or even co-owners of "extremist Croat" journalists who wrote "Yugoslav" in the citizenship column but left blank the nationality column.

We will not publish the names, nor do we wish to engage in blackmail; rather, we simply wish to point out the rapid "transformation" that happened to individual personnel from the VJESNIK house, behind which was in fact the same continuity struggle against the establishment and survival of a Croatian state. However, everything that happened during that period clearly does not excuse those who have run the house (or its remnants) from the multiparty elections to this day. We will try to shed light on that period as well, to point out failures, monopolies, and especially certain strange moves by the Agency that did not contribute to stabilizing the house, to put it mildly.

An adequate indication of the way in which the VJESNIK house was run up until 1990, regardless of its reorganization and structures, is provided by the randomly selected meeting of the Commission for Labor Relations of the OUR [Organization of Associated Labor] VJESNIK SSRNH [Socialist Alliance of Working People of Croatia] held on 21 December 1983 where, among other things, it is stated that the "personnel changes at IPT [Publishing House] DANAS be implemented in accordance with the resolutions and positions of: the Presidency of the Central Committee of the League of Communists [SK] of Croatia, the Municipal Committee of the SK of Zagreb, the Committee of the SK of Trnje, the DANAS OOSK [Local Branch of the League of Communists]...", and the decision is adopted that 1. Inoslav Besker is assigned to the job and tasks of journalist-older worker at RJ [work unit] VJESNIK SSRNH in the organizational unit SEDAM DANA; 2. Kresimir Speletic is assigned to the job and duties of commentator at RJ IPT DANAS in the organizational unit UNUTRASNJA POLITIKA; 3. Nino Pavic is assigned to the job and duties of assistant chief and responsible editor of RJ IPT DANAS, etc. Thus, until 1990, the Party pulled all the strings of personnel and business policy at VJESNIK. When it gradually disappeared from the scene, the house too began to fall apart in such a way that a majority of editors or directors took over enterprises through separation or transformation, or left the house and set up their own private companies. It is interesting to note that during that entire period, for example, Veselko Tenzera was not a member of the SK, nor was he promoted in the house at the recommendation of the Opstina Committee of the SK of Trnje....

Former VJESNIK Official on Company's Fall

93BA0859B Zagreb DANAS in Serbo-Croatian
26 Mar 93 pp 26-27

[Interview with Vladimir Slijepcevic, former chairman of VJESNIK Business Board, by Marko Barisic; date and place not given: "VJESNIK Was Destroyed by Spontaneous Forces"]

[Text] Vladimir Slijepcevic, the former chairman of the Business Board, gives his account of the collapse of the VJESNIK house.

The last chairman of the Business Board of the VJESNIK house before the advent of the new Croatian Government was Vladimir Slijepcevic. During his term, the house was divided into 12 companies, mutual accounts began to be drawn up, and the enterprise began to founder. Slijepcevic resigned (30 June 1990). Today, Vladimir Slijepcevic has his own firm, publishes AUTO MAGAZIN, and chain-smokes Benston cigarettes. Without secretaries and the former magnificence of the VJESNIK administrative building, we talked about the reasons that the VJESNIK house collapsed.

"I came to VJESNIK in 1985. At the time, it was an SOUR [composite organization of associated labor] with more than 20 legal entities. What I tried to do was to effect a form of centralization of VJESNIK. We did away with the SOUR and set up a work organization with somewhat fewer OUR's [organizations of associated labor]. At the time, we were the biggest newspaper house in the former Yugoslavia in terms of issues sold and financial results. In the competition I offered the concept of a unified enterprise. The other concept was offered by Stjepan Andrasic. They chose me.

[Barisic] You won with the concept of a unified enterprise, but in May 1991 the concept of VJESNIK with 12 separate enterprises was introduced?

[Slijepcevic] No decision was ever made to form 12 separate enterprises. That was a spontaneous occurrence. Quite simply, there were no forces at VJESNIK that could have kept that process under control. And just how spontaneous it was can be seen from the dates that the enterprises were registered and from their names.

[Barisic] What actually happened?

[Slijepcevic] First, VECERNJI LIST decided to drop out of the system and register as a separate enterprise. VECERNJI LIST certainly had economic justification for that step. However, when the newspaper VJESNIK—which was a chronic money-loser—did the same thing, that offended the majority of people at the house. The state had covered 80 percent of the loss of the newspaper VJESNIK only once; this had always been done by the house. Because of this, the atmosphere at the house quickly grew worse. People said, "For years we sustained them, and now they are doing this to us."

[Barisic] At the time did you have the political forces and ability to prevent that?

[Slijepcevic] Less and less. Work organizations had authority in business affairs as well, but they tried to run things through the League of Communists. When this spontaneous formation of enterprises began, I tried to save whatever could be saved. I came up with the concept of a minimum of mutual ties, a sort of quasi-holding company. As time went on, however, there were fewer opportunities to implement this. It is still important to say that during that period the role of the Party as a cohesive factor was disappearing. And then, at the beginning of 1990, Markovic's law on wage freezes went

into effect. It caught us at a low level, so that there was plenty of dissatisfaction at the house. And worst of all, individual OUR directors realized that they were much better off being alone than covering someone else's losses, since they were doing well materially.

[Barisic] How much did the conflict at the time between Racan and Druzic influence this course of events? Whose man were you?

[Slijepcevic] No one's. But I must say, although I do not want to offend Druzic, that I preferred to see Racan win. He was a free lance and had no organization behind him. He was put forward by intellectuals, the very atmosphere at the congress, and democratic openness. Both VJESNIK and VECERNJI LIST supported Druzic at the time. I can only suppose—I have no evidence whatsoever—that some people at VJESNIK adopted the concept of separate enterprises under the assumption that Druzic would win. This is corroborated by a pamphlet with several authors that circulated around the house after my election. The essence was that, according to them, my concept of a unified VJESNIK meant the destruction of journalism at the VJESNIK house.

[Barisic] Some people think that VJESNIK was intentionally fragmented before the new government came to power in order to make it harder to sustain?

[Slijepcevic] I think that there is no real basis for that opinion. The whole thing was spontaneous and dominated by biased interests, especially of those OUR's that were doing well economically. The standard-bearers of this spontaneity were the directors of those enterprises. I was unable to combine sales, which at the time was in three enterprises, but today that has been done. But the Administrative Board did nothing to prevent all 12 enterprises from being reintegrated on the basis of the Law on Enterprises and the Law on Transformation. Accordingly, if the state had wanted to maintain the entire VJESNIK system, it had complete authority to do so.

[Barisic] They say on the Administrative Board that they did not want to interfere in the editorial or business policy of the enterprises?

[Slijepcevic] They had the authority. Just as sales was integrated at Tisak, all the others could have done so as well. However, they accepted the status quo. They only worked on completing things that were begun spontaneously. They completed the division of assets and liabilities among the enterprises and thus conclusively split up VJESNIK.

[Barisic] The Administrative Board contends that its goal was to privatize as quickly as possible. And that it is easier to privatize individual enterprises than an entire house.

[Slijepcevic] It is a fact that to this day most of VJESNIK has not been privatized. And I do not see how a holding company would be an obstacle to privatization.

[Barisic] A report by the Council of Europe states that the government has supported 80 percent of VJESNIK?

[Barisic] That was not done by the Administrative Board, but rather by the Agency. And that is accurate. I am unclear only about the percentage. Of everything in VJESNIK house, only SPORTSKE NOVOSTI and ARENA have been completely privatized. One must ask why privatization is not proceeded faster. There is no interest in some enterprises, while the question is whether the state will want to sell the stock of profitable enterprises, and to whom. One could also ask whether anything could be done with DANAS and REVIJA. The Administrative Board had a mandate to preserve social ownership, and in both cases social ownership has been devalued. Very much so.

[Barisic] Do you think that this was a mistake by the Administrative Board?

[Slijepcevic] It was not possible to save everything, but something should have been done to avoid this sort of devaluation of social property. You know what happened with DANAS when it was put on the market twice.

[Barisic] As far as I know, no one was interested.

[Slijepcevic] Right. But the Agency's report on the offer contains the sentence that the Agency is not responsible for the changed (devalued) situation. But the Agency appointed the Administrative Board to protect this property. It did not do so. So it is guilty.

[Barisic] In addition to economic reasons, were there also political reasons for the collapse of REVIJA and DANAS?

[Slijepcevic] There should not have been any for the REVIJA publications. But at REVIJA, to put it mildly, unpreparedness and overall poor leadership of the enterprise were the main culprits. It is not accurate to say that the Administrative Board was unable to do anything. Ultimately it appointed two acting directors: Hrvoje Hitrec, who sped up the collapse of REVIJA and in three

months caused losses greater than all the former ones, and Ivan Tokic, who liquidated everything. And as far as DANAS is concerned, I think that political pressure was applied on it, which led to its discontinuation.

[Barisic] One member of the Administrative Board contends that the main reason that DANAS ceased to be published was its debts?

[Slijepcevic] The question is whether it was even necessary to take DANAS to the point where losses were so high. We should not excuse those who led DANAS at that time. But the Administrative Board also bears responsibility, because it did not preserve social ownership. If you look at things objectively, you see that both before 1990 and after 1990 DANAS was a dissident publication.

[Barisic] And it lost money both before and after?

[Slijepcevic] Yes. Partly because they did not want to raise the price, not even when I pressed them in 1990, whereby their excuse was that they would lose readers and the house would cover their losses anyway.

[Barisic] Why didn't DANAS carry out a transformation like ARENA? It would be private and no one would be able to do anything to it.

[Slijepcevic] You will have to ask them that. That is a problem of willingness and agility by the leadership of that enterprise. But that is a question that can be raised about 99.9 percent of all Croatian enterprises.

[Barisic] In retrospect, is there anything that could have been done to halt the collapse of the VJESNIK house?

[Slijepcevic] Saying today that VJESNIK house could have remained like it was is unrealistic. It is certain that the approach to cutting back that which could not survive should have been a little more orderly and systematic. The drop in the population's purchasing power, the shrinking of the market, spontaneous forces within the house, and the ineffectiveness of the Administrative Board led to the present-day situation.

Drnovsek Establishing Power Base

93BA0867A Ljubljana DELO in Slovene 29 Mar 93 p 2

[Article by Vinko Vasle: "Drnovsek Is Also Controlling the Political Scene With the Government Within the Government"]

[Text] *The rebels have "forgotten" about the old criticisms; party apparatchiks and Drnovsek's advisers; information and personnel policy; Rigl in the background; neoliberalism with a right-wing flavor.*

Ljubljana, 28 Mar—The political disputes and disagreements among the current coalition partners will certainly be in the forefront of Slovene political discussions for the next few months. All this, of course, involves nothing more than the question of who will control the government sphere more effectively in the future, and how. That is why it is not surprising that hints are already coming from the circles of individual participants in the present ruling coalition that it is obviously necessary to make tactical preparations for new elections, according to the well-known slogan "Let us work as if we will rule for 100 years, and prepare as if the elections will already be held tomorrow."

The one that has gone furthest in this is the United List [ZL], which did not succeed in its threats against the prime minister, but the latest personnel dispute between Drnovsek and the right-wing ruling wing, the Christian Democrats, occurred over the assignment of Romana Logar as director of the SDK [Public Auditing Service], where the Christian Democrats wanted to install their own candidate. Another dispute between the two sides is in sight over the issue of who will head national television. The principal core of the disputes, of course, is not such "trifles" as the wage freeze, the budget, deputies' wages, and the national security program, but rather the issue of how far one should interfere in the division of authority and in personnel policy in order for this to represent a relatively favorable position of authority in the future as well. Of course, who will head the overall Slovene policy and economy will depend on how the above issues are resolved.

Rebels and Apparatchiks

Dr. Janez Drnovsek, with his Liberal Democrats, is certainly an example of a Slovene party politician who at this time has enough power and skill to rank him and the LDS [Liberal Democratic Party] among those Slovene political entities that are consolidating their authority literally from week to week. The Liberal Democrats are doing this without shame and a guilty conscience, which means that Drnovsek has been completely successful in the party's personnel renewal and that even those Liberal Democratic personnel who even yesterday would have preferred to send Drnovsek to some other party have drowned in the authorities' promises.

Of course, these are several famous names of the so-called Komsomol part of the LDS (the left wing, as it was

named by Drnovsek himself), who last year at this time were still establishing a "right" wing in the party (Mile Setinc, Jasa Zlobec, Metka Mencin, Dr. Pavle Gantar), which still tried at the last minute to block Drnovsek's coup of the entrepreneurial yuppie-wing in the party. Almost exactly a year ago, Jasa Zlobec came forward with his famous internal letter, in which he wrote, among other things, that "the party cannot be just a doormat for Drnovsek." That was an attempt to neutralize Drnovsek's increasingly stronger consolidation of power in the LDS, which was supposed to serve him only for support, image, and the promotion of his authority. If we discount individual skirmishes within the LDS, which Drnovsek settled by completely neutralizing individual personnel and also deliberately overlooking them when he came to power, nothing significant came from that attempt to rebel against the narrowing of the functions of the party to a party that has—as some people in the LDS were saying at that time—only one member (Janez Drnovsek), with all the rest being apparatchiks in his service.

Others, more rational and politically more cunning, preferred to be subservient to the party's president and be promoted, even though no one in the party particularly appreciated them. Gregor Golobic has thus become the party's irreplaceable general secretary, who for a long time now has played the role of a typical secretary of the party president. Mirko Bandelj moved from the party's offices to the governmental palace, and became the government's general secretary and one of the most important personnel officers in Drnovsek's government. Drnovsek also consolidated his position as personnel supervisor with Tone Anderlic, who heads parliamentary personnel policy.

The next important sector of authority that is the work of Drnovsek's informal political camp (which also includes numerous presidential advisers, headed by Marjan Kramar) is the area of information and reporting. By far the most important in this is the VIS [Security and Information Service], which Drnovsek filled with new director Janez Sirse, a confidant who has accompanied Drnovsek ever since his Belgrade days. This, of course, does not mean that the LDS has only now established security-information control over some of the most important information, since a similar "section" was already functioning within the party in the past, and dealt with gathering "politically relevant information"; its activity was headed by one of Drnovsek's untried VIS directors.

If we also add to this the government press office, which is headed by Mile Setinc and which will have an important role in the future, not only in preparing the new law on national radio-television but also in the privatization of newspaper enterprises, then the LDS's control and influence in the area of informational activity is exemplary and strong. It was precisely by agreeing that the otherwise hostile Mile Setinc would receive that position that Drnovsek quieted the last voices of the rebels within his own party ranks, and Setinc was obviously consoled. Metka Mencin, in any case, did not come to parliament,

Vera Koznik (LDS) is the head of the government office for women, replacing Viko Potocnik (who will now be the owner of a private school). Jasa Zlobec is a serious candidate for ambassador to Brussels, etc.

A not unimportant sector is, for example, the government housing commission, which is headed by Miha Kozinc, and also includes three other members of the LDS (Tone Anderlic, Bogdan Biscak, and Mirko Bandelj), Finance Minister Mitja Gaspari, and the omnipresent head of the government office for joint services, Valentin Gerkman, who prefers to handle housing through IMOS [expansion unknown], which has already informally become a kind of government housing service and is particularly patronized by several ministries (Defense, for example). The Republic Housing Fund, which operates with an enormous amount of money, is also headed by an LDS member, namely the party's vice president, Edvard Oven.

Drnovsek's Government Within a Government

Even if Herman Rigelnik, at the head of the State Assembly, is not exactly Drnovsek's man, but rather Kucan's, the Assembly's general secretary, Bogdan Biscak, comes from the ranks of the LDS, and State Council President Dr. Ivan Kristan is theirs as well. The Liberal Democrats in the government control economic relations (Kracun), education and sports (Gaber), the environment (Jazbinsek), and justice (Kozinc). In the ministries, the LDS has six state secretaries and, as stated, they control three government offices: security and information, the press office, and the office for women. In parliament, Liberal Democratic personnel head the personnel and finance commissions. The government commission for monitoring and guiding the work of the VIS, which is headed by Drnovsek's man, is likewise headed by an LDS member, namely Justice Minister Miha Kozinc. Through Marko Voljc, Drnovsek also controls an important part of the banking system (LB [Ljubljana Bank]), and through it the more influential parts of the economy, which also applies to Korze's Development Fund. It is thanks to Drnovsek that former Minister Dusan Sesok is heading Iskra's holding company today, while the Gorenje concern is headed by LDS member Ivan Atelsek, as chairman of the board of directors.

More than membership in the LDS, what is characteristic of Drnovsek is the personnel policy that includes among the prime minister's confidantes people who are formally not tied to any party (Gaspari in finance, Sirse in the VIS), where there is especially a whole series of advisers, who already constitute a sort of auxiliary Drnovsek government within the formal coalition government. In fact, recently Drnovsek has been left by a whole series of advisers! According to our information, Dr. Mojmir Mrak is returning to Vienna (UNIDO [UN Industrial Development Organization]). Neven Borak, who came to Drnovsek from the state presidency, has left to be an adviser in the State Assembly. Olga Jakhel-Dergan has left for Kucan's staff.... Peter Rigl, whom Drnovsek brought into the party to handle the electoral

project, has obviously stayed in the background after one of the more notable suppressed "intelligence-wiretapping scandals." To be sure, circles close to the prime minister classify him in any case among "Kucan's people in Drnovsek's government."

After all this, of course it is not difficult to conclude that Drnovsek's personnel policy is aimed at strengthening the power of the LDS, which, on the other hand, is once again only a political service for the party's president, Dr. Janez Drnovsek. After the last elections, the previous original liberal democratic "ideology," under Drnovsek's influence, has turned into a definitely neoliberal right-wing policy, which has found its most serious fellow traveler in Christian Democracy. In the future, that also indicates major conflicts with the social democratic options in Slovenia.

[Box, p 4]

With all of this, the prime minister has, of course, forgotten about the promises to reduce the state administration and bureaucracy. Furthermore, with the positions of the (excessively) numerous state secretaries (whom the responsible ministers recruit in accordance with their party membership), the power of the government administrative apparatus has increased further, along with its costs. The law on the government is therefore an ineffective intervention in the structure of the government authorities, since the number of people employed in the state administration has increased substantially in comparison with last year. Just within the narrower part of the state administration, there are more than 20,000 people employed today, and the police and defense have been most effectively strengthened in terms of personnel—the former have 300 more employees than last year, and the latter has 1,000 more employees than during the same period last year. The personnel purges in individual parts of the state administration were also not aimed at reducing the number of employees, but rather at supporting the party policies controlling specific parts of the government. The current dispute between Kucan and Jansa also teaches us that the battle for control and power in Slovenia is not yet over, just like the final distribution of a proportionate share of power among the three most important coalition partners—the LDS, the United List, and the Christian Democrats—in which individual significant conflicts are already being indicated.

February Trade Figures Show Negative Balance

93BA0905C Ljubljana DELO in Slovene 7 Apr 93 p 3

[Article by Bozen Kriznik: "Exports Have Declined"]

[Text] In February, the coverage by exports declined in comparison with the same period last year, namely to 96 percent; new methodology of the Statistics Institute.

Ljubljana, 6 Feb—The Republic Statistics Institute has published preliminary data on our state's foreign trade in February. The data indicate that total Slovene exports

declined in comparison with the same period last year by more than a fifth, and moreover mostly due to the curtailment of trade with the former Yugoslav republics. According to the provisional statistical data, in February Slovenia imported more than it exported; the trade deficit amounted to \$20 million, and in comparison with last February the coverage of imports by exports declined drastically, specifically to 96 percent.

The total February exports amounted to \$450 million, which is 21.7 percent less than last February, and total imports increased by 1.2 percent in comparison with last year, to a full \$470 million. Since the volume of trade with the former Yugoslav republics was still relatively large at the beginning of last year, and later declined drastically, this is drastically reflected in the statistical comparisons of the data from this year and last year for total foreign trade. If we distinguish trade with the former traditional foreign countries and trade with the former Yugoslav republics, we see that the latter has been more than cut in half, and that trade with foreign countries is essentially different. In February Slovene exports to the states of the former Yugoslavia fell to 42.2 percent of the exports from last February, and imports reached only 42 percent of comparable imports last year (exports declined by \$96 million, and imports by \$72 million). In February 1993 exports to other states, i.e., to the former foreign countries, were otherwise still less

than in February 1992, but the decrease is substantially less disturbing than according to the data on total exports. In February Slovenia exports 7.1 percent less to the "real" foreign countries than during the same month last year, and imported from there 22.8 percent more than last February. A similar trend is also shown by the data on this year's cumulative exports and imports.

In the report on foreign trade in February, the Slovene Statistics Institute once again pointed out the new methodology for covering foreign trade data. The different method, namely distributing the data among reporting months by the date of going through customs, can also partly explain the low January values for imports and exports of goods. The statistical data for 1992 are final, and the ones for this year are only preliminary. Some documents, in fact, can reach customs later on, or customs can retain them for inspection, and then these data supplement the values from previous months. According to the February analysis, for example, the January exports were thus 13.9 percent higher than initially published, and imports were 7.7 percent higher (according to these still preliminary data, in January Slovenia exported a total of almost \$435 million in goods, and imported \$422 million). It should be emphasized that foreign trade, monitored by an internationally recognized methodology, also includes exports and imports achieved through enrichment transactions.

Federal

Cosic Hints Bosnian Serbs May Sign Vance-Owen Plan

LD2204225493 Belgrade TANJUG Domestic Service in Serbo-Croatian 2154 GMT 22 Apr 93

[Text] Rome, 23 Apr (TANJUG)—FRY President Dobrica Cosic today hinted at a possibility of Bosnian Serbs possibly signing—with certain reservations—the Vance-Owen plan which the Muslim President Alija Izetbegovic has already signed.

In an interview for *CORRIERE DELLA SERA*, the Italian newspaper with the widest circulation, President Cosic confirmed that the talks on the Vance-Owen plan are continuing and that this is the reason for Lord Owen's returning to Belgrade today.

"None of our missiles are pointing, nor will ever be pointing in the direction of Italy," Cosic told a reporter of this paper in response to speculations here that Yugoslav Scud-B missiles are allegedly directed against the territory of this country as retaliation for Italy's involvement in connection with UN Security Council resolutions against Yugoslavia.

Cosic Interviewed on Talks With Owen

LD2204203493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1647 GMT 22 Apr 93

[Text] Belgrade, 22 Apr (TANJUG)—President Dobrica Cosic of Yugoslavia stated today that the upcoming days can be fatal for our future if political sense and the spirit of tolerance, mutual appreciation, and respect for everybody's interests do not prevail among all factors making decisions about the cessation of war in Bosnia-Herzegovina.

This afternoon President Cosic replied to several questions from TANJUG's editor in chief Dusan Zupan and the agency's diplomatic editor Stevan Cordas after talks with the cochairman of the international conference on former Yugoslavia, Lord Owen.

"You and President Milosevic had lengthy talks yesterday with Lord Owen, and you had talks with Karadzic and General Mladic. We heard that you, President Milosevic and Karadzic had joint talks with Mr. Owen. For understandable reasons, our public is extremely interested in your peace negotiations and their prospects. What can you tell us?" was the first question.

President Cosic replied that he could not say much. "In such a situation as ours is nowadays, people holding positions such as mine should talk less and think more. But I will try to tell you what I believe our citizens ought to bear in mind when they are concerned for their future," he added.

The upcoming days can be fatal for our future, Cosic said, if political sense, the spirit of tolerance, mutual appreciation, and respect for everybody's interests do not prevail among all factors making decisions about the cessation of the interethnic, religious, and civil war in Bosnia-Herzegovina. I would like to lay particular stress on the following: patience and persistence are necessary in talks and negotiations. Unfortunately, it cannot be said that all conditions for the resolution of the Bosnia-Herzegovina crisis have been fulfilled. I am particularly worried because of the approach of the international community, in concrete terms of the UN Security Council, toward the Bosnia-Herzegovina crisis. Ultimatum-like solutions have always been the worst solutions, while in the Bosnia-Herzegovina crisis they can be catastrophic, not just for the Bosnia-Herzegovina nations and their neighbors, but also because no positive and peaceful solutions can be achieved through ultimatum-like solutions and military intervention. No peace has been reached through war; peace can be achieved through justice, political wisdom, and in this case without winners. There can be no winners in the civil and interethnic war in Bosnia-Herzegovina. All three warring sides have been defeated by their graves and destroyed homes. If we can talk about some kind of victory, then it lies in the freedom and equality of people and nations in Bosnia-Herzegovina, President Cosic said.

Asked to explain what the Federal Republic of Yugoslavia has been urging in talks with Lord Owen, Dobrica Cosic replied:

"I would like to convince citizens of the Federal Republic of Yugoslavia that we have really been doing everything in our power as negotiators to find compromising, fair, and honest solutions for the three warring sides. The tactical acceptance of the Vance-Owen plan by the Croats and Muslims, which was out of mere formality and which is now reflected in the hostilities in central Bosnia, does not represent the realization of peace, nor is it in accordance with our moral responsibility for the future of our nation and our neighboring nations," the Yugoslav president said adding:

"Serbs in Bosnia-Herzegovina, both in their approach to the Vance-Owen plan and demands for comprehensive and cautious examination of the proposed maps of provinces, in urging democratic and fair solutions, mutual agreements between the three warring sides, i.e. solutions satisfying all three nations, have not been belligerent or stubborn, for which they have flippantly and maliciously been rebuked. They have been realistic and truly devoted to permanent peace and the reasonable path toward the cessation of the Bosnia-Herzegovina tragedy. Also in these moments," Cosic said, "they are expressing readiness to accept the Vance-Owen plan with necessary, fair, and existentially minimal demands and corrections. These are such demands that only warmongers and shallow people, only those who do not wish political consolidation on the territory of former Yugoslavia and the Balkans, may not accept the readiness of the Serbs from Bosnia-Herzegovina for final negotiations on the acceptance of the Vance-Owen

plan. If the Muslims and Croats show such peacemaking readiness, then we can hope that the Vance-Owen plan will be accepted and that we will turn toward peace and everyday life," the president of the Federal Republic of Yugoslavia said.

"You know very well that our public at this moment wishes to hear something more concrete regarding the talks and negotiations. Can you satisfy that wish of the public?" Cosic was asked.

"As you know," Cosic replied, "the talks and negotiations are in progress; they are so difficult and complex that I cannot publicly speak about particulars of these talks at the moment, because it is precisely these particulars that could be decisive.

"I am still hoping that Lord Owen's mission, with the full cooperation of all three warring sides, will be successful," Cosic said adding:

"The Federal Republic of Yugoslavia will, I repeat, do absolutely everything in its power and within the boundaries of its national and state existential interest and dignity for the Vance-Owen plan to be accepted with necessary modifications. If the international community, the Muslim and Croatian sides, display such readiness then we will be on the right road, leading to the end of the Bosnia-Herzegovina and Yugoslav misfortune," President Dobrica Cosic concluded.

Kontic Says Bosnian Serbs 'Ready To Compromise'

LD2304095693 Belgrade TANJUG Domestic Service in Serbo-Croatian 0904 GMT 23 Apr 93

[Text] Belgrade, 23 Apr (TANJUG)—If the increased sanctions are enforced, the Federal Government will have to assume direct control of the available material and financial resources in line with strictly defined priorities, Federal Prime Minister Radoje Kontic said today.

In the course of talks with about 60 businessmen in the Palace of the Federation in Belgrade, Prime Minister Kontic said operative headquarters would be set up to manage priority consumption of energy, agricultural products, and food, although the existing quantities of these goods are mainly satisfactory.

Kontic said he hopes that talks, which are showing some signs of progress, would have a favorable outcome. There are some signs of compromise, but it is our duty to prepare for the eventual enforcement of the latest UN Security Council resolution, Kontic said. The Bosnian Serbs understand our predicament and are ready to compromise, Kontic said, voicing the hope that the international community would show more understanding for the minimal Serbian national interests.

Assembly to Discuss New Security Council Sanctions

LD2204160993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1457 GMT 22 Apr 93

[Text] Belgrade, 22 Apr (TANJUG)—A joint session of both chambers of the Federal Assembly is to be held tomorrow, 23 April, starting at 1700, a statement from the Assembly of the Federal Republic of Yugoslavia says.

The session, which was convened by Chamber of Citizens President Radoman Bozovic and Chamber of Republics President Milos Radulovic is to examine a draft declaration of the Federal Assembly in connection with sanctions which the United Nations Security Council has imposed against Yugoslavia.

The session will be addressed by Vladislav Jovanovic, federal vice premier and federal minister of foreign affairs, the statement says.

Information Minister Says Sanctions 'Height of Cynicism'

LD2204191693 Belgrade TANJUG in English 1820 GMT 22 Apr 93

["Pool" item]

[Text] Belgrade, April 22 (TANJUG)—Yugoslav Information Minister Slobodan Ignjatovic said on Thursday [22 April] that it was the height of cynicism to expose Yugoslavia to unprecedented sanctions, when its only interest was to help restore peace in the territory of the former Yugoslavia.

Speaking to reporters in Belgrade, Ignjatovic said that the United Nations had become a political instrument of some professedly democratic countries. "History has never seen international law and moral values sink so low," he added.

U.N. Security Council Resolution 820 is to come into force on April 26 if Bosnian Serbs do not sign by that date the Vance-Owen map dividing the former Yugoslav Republic of Bosnia-Herzegovina into ten provinces.

The Yugoslav Government has made every diplomatic and other effort to prevent the tightening of the sanctions, said Ignjatovic and added that "talks are still under way and their outcome is still uncertain, though it can be guessed at."

The outcome does not depend solely on Yugoslavia which is only offering its good offices in the talks, said Ignjatovic.

It is up to the legitimate representatives of Bosnian Serbs, Croats and Moslems to negotiate an agreement, and Yugoslavia can but accept such an agreement, the Yugoslav information minister said.

Why should a war option be forced on a historically peace-loving nation, asked Ignjatovic and stressed that

not a single Yugoslav soldier was fighting in Bosnia-Herzegovina and that Yugoslavia was not a party to the Bosnian war.

Asked to comment on the statement by Bosnian Serb leader Radovan Karadzic that Bosnian Serbs would walk out of the negotiating process if sanctions against Yugoslavia were tightened, Ignjatovic said that Karadzic's office gave him the right to make such a statement, but that he (Ignjatovic) personally believed negotiations should continue.

The Yugoslav Government is preparing emergency measures in case the sanctions should be tightened, said Ignjatovic, but the measures have not been definitively shaped yet and I am not at liberty to give details because, under the circumstances, they must be treated as a state secret.

"We hope that the international community will come to its senses and that the sanctions will not be stepped up," the Yugoslav minister said.

The Yugoslav Government has done its best to help the truth about Bosnian Serbs [word indistinct] out into the world but only between five and ten percent of the reports offered have been accepted by the international media, said Ignjatovic. The Western media have been rejecting our reports mostly on the grounds that the Western viewer is upset by the gory details, and then have gone on and aired the most brutal of scenes when they had a political axe to grind, he added.

Ignjatovic also said that Fascism had revived in the territory of the former Yugoslavia, "especially in what is today called Croatia." That the initiator of this infamous revival, Croatian President Franjo Tudjman, has been invited to attend the opening of the Holocaust Memorial Museum in Washington is the ultimate in cynicism, he said.

Situation on Croatia-FRY Border

93BA0866C Belgrade VOJSKA in Serbo-Croatian
4 Mar 93 p 26

[Article by Nikola Ostojic: "Wartime Security"]

[Text] Above Ilok, on the road for Sid near Principovac, there is an UNPROFOR [UN Protection Force] checkpoint, and just a bit to the south the border of the FRY with Croatia begins, stretching across the limited-access highway, all the way to the Sava. The blue helmets are still at the border crossing near Batrovac, explains Lieutenant Colonel Gavrilovic, who is responsible in the Novi Sad Corps for securing the border. To the north is our country's border with the Serbian Republic Krajina [RSK], or the zone under UN protection. In Sid, Major Dragan Papric, commander of the border unit, explained to us that the entire border which his unit guards is slightly more than 130-km long, approximately 72 km of it with the RSK, our state borders Croatia directly for 37 km, and the length of our border with the

former Bosnia and Herzegovina, or the Serbian Republic [RS] is approximately that same length. Thus, his border guards are serving where three states meet.

The commander explained to us that his unit has been in a state of intensified guarding of the border ever since Croatia carried out aggression in the Zadar portion of the RSK, and that along with other units in this part of the border zone its task is to prevent an incursion of hostile armed forces onto the territory of our country. The greatest danger, of course, threatens across the border with Croatia, where sizable forces of the Croatian Army are in the border zone itself.

His words were confirmed by a patrol made up of Milan Markovic, a regular soldier, and conscripts Bosko Damjanovic and Radislav Ilic. It vigilantly followed the movement of people in that part of the border area. Asked what their mission was, they replied tersely: to prevent illegal crossing of the border and to detect infiltration of commandos from hostile territory. The commander also added that the border with Croatia is being guarded in the true "wartime sense" together with units for active operations and defense. That is probably why there is a kind of ghostly calm along that border; for quite some time now there have been no serious provocations from the Croatian side, but everything "smells of danger."

But the border guards are ready. There are soldiers here from the March 1992 conscription, who have acquired experience, members of the reserves, and, of course, professionals. Although their accommodations and other conditions are modest, at least for the present, this does not hinder them from doing their serious and responsible job. Our informant emphasized that Colonel Ilija Jokic, commander of the garrison in Sremska Mitrovica, and Ilija Popovic, until recently president of Sid Opstina, helped in providing them accommodation in permanent buildings.

"In the village Strosinci, on the Croatian side of the border," Popovic explained, "there are numerous hostile forces armed with anti-aircraft guns, there are tanks in the rear, and bunkers have sprung up along the border. Earlier, they would infiltrate commando teams from time to time, they would open infantry fire as a provocation, and it has already been made public that in December of last year they came onto Yugoslav territory and made prisoners of two local men from the village Jamena. In this section of the national border (the former administrative border), the forces are approximately 500 meters from one another, and the soldiers look at one another through gun sights. Nevertheless, the Croats on the other side do not seem to want to wage war," Maj. Papric adds. "But who knows what orders may come from their supreme commander. That is why we must always be on the alert."

The Jamena watchtower is located at the three-way intersection of Yugoslavia, the former Bosnia and Herzegovina, and Croatia. It is reached along the muddy

embankment along the Sava. We were met by Junior Lieutenant Tomislav Petrovic, the unit's commander, and Sergeant Lazar Bosnjak, senior officer at the watchtower. Some of the soldiers are resting, a few are watching television, and the rest are on duty. Jr. Lt. Petrovic, the unit's commander, explained to us that the situation is very serious, that sizable combat units are 5 km from the border on the Croatian side, trench-diggers have been seen, and in the last several days they have noted that the enemy is bringing up new forces.

That is why there are patrols, area guards, observers, and other border entities in the area constantly, says Milisav Stanimirovic, a private who is a conscript. Although he is a driver, he goes on patrol, and what he likes best is a clear night and when everything is bathed in moonlight. He told us how the Croatian soldiers, which have been brought from various regions, occasionally open fire in the near depth of their own territory to create the impression that they are in a dangerous section of the border, so they will not be assigned to the front near Zadar or somewhere where men are being killed.

Stevica Grujic, also a reservist, tells how the Croats often release floating mines on inner tubes in the Sava and on patrol they must be particularly alert to everything floating down the river. Junior Sergeant Stojan Panic, who fought in Slavonia before he came to the unit, recently signed an enlistment contract and with Milan Kovacevic, his comrade in arms who is also a contract soldier, explains that recently they noticed on the Croatian side Ustasha Blackshirts from Pula and Rijeka, and they also spotted one unit with tanks in the village Otok. The oldest reservist at the watchtower is Miroslav Ostojic, who says that morale is high and that the enemy cannot surprise them.

Jr. Lt. Petrovic also added that he is giving the soldiers intensive training in all the operations and procedures they need to successfully guard the border and that he is making particular use of checklists which he wrote with the help of his former commanding officer, Captain Ljubisa Dikovic, who is today commander of a border unit in Bajina Basta.

In returning from the Jamena watchtower, we passed the village Strosinci. In the village, the checkerboard flag was flying on a high mast, a trench-digger was rumbling, and the mounds of earth dugouts were also evident. Maj. Papric explained to us that the border runs along the road we were traveling, that the left side of the roadway is in Croatia and the right side in Yugoslavia. And he adds:

"The border has existed in these parts since back in 1860, when with Arsenije Carnojevic the Serbs, fleeing from the Turks, arrived in Srem. The Austro-Hungarian monarchy allowed them to settle so that as border guards they would secure the empire against an incursion of the Turks. It gave them independence, required them to do military service, and put them in a privileged position. This region was never Croatian," he adds. Traces of that period have been left today, because football teams, inns,

and cultural and artistic societies in Kuzmin, Adasevci, Jamena, and other villages are usually called Granicar [Border Guard].

Firms Successful Despite Sanctions

93BA0876D Belgrade POLITIKA in Serbo-Croatian
16 Mar 93 p 12

[Article by M. Laketic: "Good Business Performance"]

[Text] Gnjlane, Mar—Jugoterm, a manufacturer of heating surfaces in Gnjlane, is one of the rare business collectives in Yugoslavia which because of the blockade has not had to send a single worker home on paid annual leave. Thanks to its successful business performance, last year it even built a production plant in the village of Budriga near Gnjlane at a cost of more than 2 million marks.

Aside from building that plant, which will employ approximately 100 workers, Jugoterm will also round out its production of conventional radiators, coolers for transformers, oil-filled electric radiators, absorbers and solar collectors, and integrated units for solar energy. At the same time, in the transformation of ownership the professional management of this factory has eliminated middlemen in the purchase of production supplies, and, according to technical director Milivoje Stamenkovic, since January of this year they have been operating as a joint stock company with Sartid 1913 of Smederevo, which regularly delivers them steel sheet for radiators.

Last year's plan, which called for 1.8 million square meters of heated surfaces, was fulfilled at 94 percent, says Bratimir Josanovic, director for development. The monthly earnings of employees (there are 530 workers) are increasing every month, so that along with their January pay (the average was 780,000 dinars) in mid-February employees received a supplement of 55 percent.

"We have replaced production supplies from abroad with domestic supplies: For example, we no longer buy paint to paint radiators from Kolor in Slovenia, but from Duga in Belgrade and the Paint and Varnish Industry in Nis," Josanovic says.

At one time, Jugoterm exported to the market of West Europe, but now it is doing well on the Yugoslav market.

"Our production is exclusively earmarked," Stamenkovic says, "for a known customer. We make even what we cannot sell at the moment."

Last year, in Gnjlane they successfully completed the work begun earlier on the Binacka Morava hydroindustrial firm. Although the Yugoslav construction industry has been in the death throes for several years, builders in Gnjlane have been getting along even under the conditions of the blockade. The work force of 1,650, says

technical director Jovan Sentic, has successfully completed an elementary school in the village Donje Kusce, whose construction was financed by Montenegro, Jugoterm's plant in the village Budriga, a market center in Prokuplje, three apartment buildings in Pristina, and work on the Pristina Airport.

Trade Union Official Predicts Social Unrest

93BA0740B Belgrade POLITIKA in Serbo-Coatian
6 Mar 93 p 5

[Article by M. Petric: "Five Salaries Needed, People Live on One"]

[Text] *Dragan Radulovic, Yugoslav trade union secretary, talks about the limits of social perseverance. If the government does not do anything, the end of spring may be marked by social unrest. Public works projects as a form of employment can be effective only when they are part of integrated economic measures.*

In addition to parks and similar places, an increasing number of strollers is observed in self-service stores, markets, and department stores, for example. In every case there are more browsers than buyers, and all this indicates that the rapid impoverishment of the population is intensifying. The merciless statistics, this time from the Federation of Independent Yugoslav Trade Unions [SSSJ], show that even now around 60 percent of the inhabitants of the FRY are below the subsistence level. These are people who have given up practically all "luxuries," if we understand luxuries to mean fruits, meat, and daily newspapers.

Dragan Radulovic, secretary of the SSSJ Council, defines the category of such people in greater detail by the standards of world statisticians, who have calculated that the minimum subsistence level for the individual is one mark per day. In a situation of increasingly obvious poverty, the question is how far the limits of the bearable reach and if we are on the eve of social unrest.

"The only way to prevent this is to energize production and so more or less preserve the current subsistence level. Of course, this energizing of production must be selective, and I think that priority must be assigned to agricultural production, not just because this could employ a large number of people but also because such effects become most quickly evident," according to Radulovic, who adds that "if we continue at this pace, that is, if nothing is done, we may be witness to social unrest by the end of spring. Although such predictions are uncertain, even now we observe this paradox: the statistics office has calculated that a family of four needs four and one-half salaries a month, but many families nevertheless are surviving with only one. This naturally means that they have no reserves. And so life is the hardest for the urban population, and this population may be the first to lose its patience."

Radulovic illustrates the difficulty of emerging from poverty with an example dating from several years ago in

Beran. Worker wages in the viscose industry were so low that workers literally had enough only for bread. At the same time, a heavy demand was observed for the syrup that had long been prescribed medically for treatment of children but that was also dispensed free of charge. It sounds like black humor, but people had the idea of smearing bread with syrup that tasted sweet simply because the syrup was free. On the basis of some earlier indications, according to Radulovic, something such as this could have been expected earlier anywhere in this region, but....

Public works projects are being mentioned more and more often as a solution. Certainly, everyone interprets this as he sees fit. Some consider such projects to be simply digging up undeveloped land, and afterward eating at the common trough where at least a meal is certain, as an option for example for builders, who hope in this way to employ both men and machinery to build roads, rail lines, and the like.

"The basic element essential in order for public works projects to have an effect is the availability of a surplus of certain goods on the market, along with a reduction of demand. Employment of workers in public works projects then enables the workers to use their wages, even if they derive from primary issue of money, to heighten demand and buy this surplus of goods. But this situation does not exist in our country. Such a surplus of goods does not exist, and so I think that public works projects cannot yield any results in such an isolated context and without integrated economic measures," says Radulovic.

For instance, if unemployed construction workers now begin to build housing as public works projects, there will be no benefit if there are no buyers on the market to buy this housing. Building of roads and highways will be useful only if tolls are collected for use of the roads. Any investor in the world would first ask the number of vehicles that on the average could use a single route and what the real potential for return on the investment will be.

In response to the inevitable question of what the trade union organization will do, Radulovic points out that nowhere in the world do trade unions concern themselves with direction of economic initiatives and government affairs, and that now is the time for the government to concern itself both with the economy and social policy. In this direction the talks of the commissioner, and now of the prime minister, have introduced a certain amount of optimism. In these talks the prime minister at least has not closed his eyes to reality, in that he has pointed out that the danger of social tension may be even greater than the danger of war.

Serbia

Opposition Leaders Urge Signing of Vance-Owen Plan

LD2304004593 Belgrade TANJUG in English 2322
GMT 22 Apr 93

[Text] Belgrade, April 22 (TANJUG)—Leaders of the opposition Democratic Party and the Democratic Party

of Serbia as well as non-party members of the opposition coalition DEPOS [Democratic Movement of Serbia] on Thursday [22 April] said that talks must have priority over the military option for settling the crisis in the war-battered former Yugoslav Republic of Bosnia-Herzegovina.

Democratic Party leader Dragoljub Micunovic said that Wednesday's talks in Belgrade by international mediator in the Bosnian talks Lord David Owen was a proof that talks still had the priority.

Lord Owen met in Belgrade with presidents of the Federal Republic of Yugoslavia Dobrica Cosic and President of the Yugoslav Republic of Serbia Slobodan Milosevic.

Speaking at a party rally in Serbia's southern town of Nis, Micunovic added, however, that the Bosnian Serb negotiators must not give up the corridor which links the Bosnian Serb territory with Serbia.

Leader of the Democratic Party of Serbia Vojislav Kostunica also pointed out the need for settling the question of the corridor.

He added, however, that the map proposed by Vance and Lord Owen did not constitute a guarantee for the Serbian people in Bosnia-Herzegovina and that it should not be signed.

Kostunica, whose party is a member of the DEPOS coalition, believes that Lord Owen had arrived in Belgrade to propose corrections of the map precisely in view of the corridor.

None of the officials who met with Lord Owen or the British diplomat himself have confirmed that this topic was discussed.

Prominent Serbian intellectuals and independent members of DEPOS, however, today urged that the Vance-Owen plan be urgently signed.

In their view, it is not true that by signing the plan the Serbian people would commit a suicide. On the contrary, they believe that a refusal to sign it would bring agony.

They said that a signature on the plan would not mark a capitulation of the Serbian people but a capitulation of the regime.

The independent members of DEPOS called the 'authorities and their branch offices' in the Serb states on the territories of the former Yugoslav Republics of Croatia and Bosnia-Herzegovina, whose policies they see as 'fatal,' to make the last step—put their signature to the inevitable losses, for which they are responsible, and step down from the political scene.

If the Vance-Owen plan is not signed, the Serbian people will face either a much more serious capitulation or a war with the entire world, they said.

'Such a war has never taken place before and no people is able to win it,' they said.

Seselj Proposes Countering New Sanctions

AU2204145793 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 22 Apr 93

[Text] No one has the right to sign the maps drafted by [Conference on Yugoslavia Cochairmen] Vance and Owen, Vojislav Seselj, leader of the Serbian Radical Party, told reporters. In his view, the efforts of everyone trying to force the state organs of Serbia, Montenegro, or the Serbian republic [in Bosnia-Herzegovina] to do that are pointless. Jelena Hinic reports:

[Hinic] Our military forces must be ready to respond, Seselj said. The first bullet fired on Serbian positions will be met with a counterattack on UNPROFOR. In case the latest UN Security Council sanctions take effect on 26 April, Seselj proposes that the following be done:

[Begin Seselj recording] That diplomatic relations with all Security Council member countries that voted in favor of tightening sanctions be severed. There is simply no reason for prolonging this any more. The policy of concessions by the state leadership of our country has, in fact, partly led us into this situation. Had the leadership resisted pressure from the West more resolutely in the past, things would have probably developed differently. [end recording]

[Hinic] The Serbian Radical Party, Seselj said, sharply protests the abuse of the media, above all the radio and television of Serbia, for the interests of only one party, the Socialist Party of Serbia. Seselj said that apart from supporting this party, the radio and television programs do not report at all on activities of opposition parties, and even if they do, they do it at inappropriate times. Seselj indicated that he might demand a new management board, not only for radio and television, but for all public enterprises.

Seselj also stated that he will increase pressure on the republic and federal governments in order to make them face the prolonged isolation of Yugoslavia that is ahead.

Drugs in Hands of Private Pharmacies

93BA0740E Belgrade BORBA in Serbo-Croatian 4 Mar 93 p 11

[Article by B. Popovic: "Drugs in Private Hands—Why There Are No Drugs in Government-Run Pharmacies"]

[Text] The fact that the hundred pharmacies of the Beograd Pharmaceutical Labor Organization are eerily empty does not mean that there are no drugs. The pharmaceutical industry is operating, although with considerable difficulty, but the drugs that it delivers end up in privately owned pharmacies. The legalization of privately run pharmacies, the elimination of contributions for drugs, and the nationalization of public pharmacies have

led to an absurd situation in which drugs exist but a person covered by insurance has to pay fabulous prices to get them.

Although the Serbian government is expected to eliminate soon one of the causes of the unprecedented drug shortage (in government-run pharmacies), the high cost of drugs and the chaotic conditions in the drug market will undoubtedly not come to an end. According to Tatjana Uskokovic, director of the 1 Maj pharmacy in Belgrade, "drugs are being bought not by citizens but by private sector businessmen for their pharmacies."

"They are emptying the government-run pharmacies—this has been the rule since the contributions were eliminated—and then they are selling drugs to consumers at high prices, while our shelves are empty. We do not have anything to offer sick people, and we have to answer every question by saying that we do not have any drugs to sell. 'No drugs' are words often heard in government-run pharmacies. As a matter of fact, it is easier to say what we do have, because we have so little or nothing at all."

Zorica Kukoc, deputy general director of the Beograd Pharmaceutical Labor Organization, explains that there are no drugs at all, or that there are drugs, but in privately run pharmacies. To the number of reasons for the emptiness of pharmacies, from sanctions to a shortage of foreign currency and dinars, Ms. Kukoc also adds the fact that this wholesale drug organization is required to pay in advance. Since there is no money, drugs are "spooned out"; that is, released a couple of boxes of a particular drug at a time.

Zorica Kukoc states that "the Urban Fund has requested that we designate only one of the approximately 100 of our pharmacies to receive drugs regularly so that sick people may be sent to it for drugs. And this confirms the injustice done to us by nationalization, because the government has invested in the network of pharmacies in which there currently are no drugs."

"Over the last year," according to Branko Radovic, general director of this institution, "the government has been passive. It has taken everything and has not allowed the publicly owned pharmacies to be converted to stock companies. And so we have the pharmacies of Mitrovic (a former Serbian health minister—B. Popovic), which currently have drugs, and the government-run pharmacies, which are being completely ruined. The promise that control of the operation of privately owned pharmacies will be instituted is still an empty one."

"The fact that there are no drugs in our pharmacies," says Dragan Simonovic of the Nis Pharmaceutical Labor Organization, "does not upset anybody except, of course, sick people. Only when a person needs a drug does he know what it means to buy in a privately owned pharmacy. I guarantee that there have definitely been drugs in privately owned warehouses for three months. Even though we have applied to a number of agencies, no one will listen to us pharmacists. The government has

taken us under its wing and now nobody needs us. It has never before happened that we owed less than we have been able to pay. This is the case now; never have we been less believed that we are now. The privately owned pharmacies are saving the nation, and sick people are harassing us because through no fault of our own we are failing to provide what we exist to provide."

The promises of the Ministry of Health that privately owned pharmacies will accept prescriptions and provide free of charge the drugs on the essential drug list have not been kept. All that has remained is the right of an insured person to request a refund from the insurance company of an amount paid to a privately owned pharmacy for a drug. However, to judge by the number of applications for compensation for costs and the several-month waiting period ascribed to a lack of funds, the government is counting on insuree patience.

Macedonia

Gligorov: 'No Reasons' for 'Cooling' Bulgarian Relations

AU2204193493 Sofia BTA in English 1921 GMT
22 Apr 93

[Report by Nikolay Koev: "Macedonian President Interviewed"]

[Text] Skopje, April 22 (BTA)—In its latest issue the PULS weekly runs an interview with President Kiro Gligorov. Asked about the reaction of the Bulgarian press to the statement of the Macedonian president at the United Nations and whether this would cool Bulgarian-Macedonian relations, Mr. Gligorov answered: "I am not an advocate of the rash taking of far-reaching decisions. I see no reasons for a cooling of Bulgarian-Macedonian relations. Quite to the contrary. And as regards the stands expressed by some mass media in neighbouring Bulgaria, this is Bulgaria's internal problem, a problem of the course of certain political forces and of historically removed from history claims on the Republic of Macedonia and the Macedonian people."

Montenegro

Local Islamic Community Leader Interviewed

93BA0876C Podgorica POBJEDA in Serbo-Croatian
14 Mar 93 p 7

[Interview with Idriz Demirovic, president of the Mesihad of the Islamic Community for Montenegro, by Zoran Darmanovic; place and date not given: "To God What Is God's, To People What Is Human"]

[Text] Under the conditions that characterize this time of ours there is no person who is completely calm. Unrest and insecurity are more or less present in every individual, family, and society. It is a time of great and

dramatic upheavals, when certain universal values are discredited or modified. The consequences of this situation are being felt most directly by believers of the Islamic faith in Montenegro, for the simple reason that they have less opportunity to take part in decision-making about the destiny of their social life. This is what Idriz Demirovic, president of the Mesihad of the Islamic Community for Montenegro, said about the position of Muslims in Montenegro.

[Darmanovic] One gets the impression that the recent events have helped to create a sense of insecurity in citizens of the Muslim nationality in Montenegro!

[Demirovic] The bombing attacks in Pljevlja, Bijelo Polje, and certain other places and the kidnapping of the Muslims from the train at the railroad station in Strpci and Bukovica near Pljevlja were a heavy blow to Muslims in this republic. A feeling of anxiety, confusion, and insecurity has been created. Their dignity has been deeply offended, because this is occurring on our native soil, our only fatherland, where they never expected anything like that. They are ready to go through all the trouble affecting Montenegro, together with their neighbors of other nationalities and faiths, but it is very difficult to experience something like these events, when this is solely because of name or belonging to another nationality or faith.

[Darmanovic] The republic parliament recently issued a severe condemnation of these terrorist acts. Specific conclusions were also adopted. In your opinion, do these moves by the Montenegrin Assembly instill hope that there will be no recurrence of anything like that?

[Demirovic] I think that the Assembly expressed sound human thinking and conscience, and at the same time the pain and bitterness of the deputies and of the citizens of Montenegro whom they represent concerning these events, which are incompatible with the morality and tradition of people in this region. The main importance and essence of the Assembly debate lay in the outlook which was clearly expressed. This is, of course, encouraging, and, still more essential, it helps to heal a wounded pride. Let me be specific. I may lose my arm, but here in Montenegro, which I know as my only homeland, I must not lose it solely because I am a Muslim. In this case, wounded dignity is harder to bear than loss of an arm. I believe that there are still deep roots in people's minds—the traditional moral codes, pride, integrity, courage, and keeping your word. However, under the conditions and events today in our environment, this still does not mean that something of that kind cannot recur.

[Darmanovic] People say that a good part of the blame for what is happening to us is also borne by the exaggerated meddling of religion in politics, and conversely, of politics in religion.

[Demirovic] One need not wonder at even such reflections, because there have been so many mistakes and oversights that causes and consequences are getting

confused. Nor is it any wonder that sometimes people look for the blame where it does not exist. In a certain way, mistakes have been made even in these relationships, because for a long time politics pushed religion from people's minds and lives, and religious doctrines and universal religious values were thereby pushed to the outer edge. As for casting blame on religion's meddling in politics, I must say that to me this is like the story about the wolf and the lamb. In the story, that is, the wolf found a justification for eating the lamb in the fact that the lamb clouded the water. It is more than clear that religion is no generator of what we have been experiencing today. If the high moral codes which are universal in all religious doctrines of the published religions as God's laws, that is, God's commandments, had been the basic point of departure of all political thinking and acting, we would not be experiencing what we are experiencing today. I assure you that you can freely trust your life in the word of the Koran, the Gospel, and the Bible, that is, to God's will, instead of the will of man, who does not recognize God's laws.

[Darmanovic] Should politics, then, be left to religious leaders?

[Demirovic] By no means do I think that religious officials or priests should engage in politics. The conduct of politics should be left to the people's elected officials, who respect God's laws. We need to realize a very essential thing—religion has its view of the world and thereby a different way of thinking as well, as it is put today—a different mindset. This is the struggle for the power of God's will, not the will of people in religious uniforms. The logic of authority, by contrast, is the rule of men, while we believe in the rule of God's will.

[Darmanovic] Does politics interfere in the work of the Islamic Community for Montenegro, that is, to what extent do you, for instance, engage in politics?

[Demirovic] I say with full responsibility that politics does not interfere in the work of the Islamic Community, nor would that be allowed at any price. There were attempts earlier, but they were unsuccessful. As far as our opinion is concerned, it is that even if we were offered power, we would not take it, but we will never hold back from demanding of the government what is for us a religious obligation, achievement of the general good, because we believe this to be a vital matter, and religion must not detach itself from life, even though someone might use that unfortunate expression of an interference in politics which is inappropriate for us.

[Darmanovic] Who has greater influence on creation of the collective consciousness in Montenegrin Muslims—the Islamic Community, the organization which brings the religious together, or the Democratic Action Party [SDA], which is the most numerous Muslim political party in Montenegro?

[Demirovic] It is clear that the Islamic Community is a religious organization, and the SDA a political party, and as such they have differing areas of activity. However,

those areas of activity touch one another concerning those issues which are consistent with the Islamic view of life and with the activity of Muslims and the community. What I am saying about the Islamic Community does not signify by any means an inclination toward the SDA as a party. The Islamic Community has existed for centuries, and it will exist until the day of judgment, both before and after the Muslim political parties. When you ask about influence, I want to answer you not as a religious officer, but as a believer, a Muslim, and I think that his response to that question would always be that he places his confidence in the one who is more consistent in Islamic doctrine and practice and is accordingly more vigorous in caring for his needs.

[Darmanovic] It is said that it has always been disastrous for Montenegro, as one deputy in the Assembly has put it, to have "imported" Serbism, Islamism, and Albanianism from our environment.

[Demirovic] The nationalities of Montenegro have known how to preserve their identity, their ethnic and religious identity, down through history, through thick and thin. In that respect, they have not lagged behind other numerically larger peoples, but at the same time they have respected and honored one another. It is a fact that many can only be envious of them in that respect. Every import is not a priori unacceptable. Everything is beneficial if it can be of use to the citizens of Montenegro, to all equally, to happiness and prosperity, and, today most urgently, peace and calm in Montenegro. However, in these troubles, when people are tired of trouble and unrest, even a matchstick, regardless of where it comes from, is harmful and unacceptable.

[Darmanovic] In what kind of Montenegro would Muslims like to live, in your opinion?

[Demirovic] Muslims in Montenegro are citizens of this state. They did not come here yesterday, they have been living in it just as long as the other nationalities, and this is their only homeland. They want a Montenegro in which they would have all rights, both written and by custom, just like all other citizens, and those must be rights for which one must not beg. Not charity, but what they are entitled to. They want above all peace and happiness, not only for themselves, but for all their fellow citizens together.

[Darmanovic] What is your message to believers?

[Demirovic] We live in a time of great upheavals, crises, uncertainty, and precariousness. We are obligated for our part to contribute to overcoming this situation, and we will do this best if we remain consistent with divine instructions, which are well-known to us, and to abide by the principle not to be excessively proud when things are good, and not to debase oneself when things are bad.

Depositors Fight To Get Back Savings

93BA0877H Belgrade POLITIKA in Serbo-Croatian
24 Mar 93 p 6

[Article by D. Becirovic: "Drilling Through to the Foreign Exchange"]

[Text] Podgorica, 23 Mar—Some 20 savings depositors of Podgoricka Banka DD [Bank of Podgorica, joint-stock company] received a notice through "secret agents" that that bank had foreign exchange. The depositors, who already had in their hands a final decision for court settlement, went to the court and then with three court executors and one man who is knowledgeable about locks and keys, arrived at the premises of Podgoricka Banka at about 1000 hours. They showed the bankers the decisions they had on execution of collection of the debt. The bankers had already been informed, but they shrugged their shoulders, saying that the foreign exchange vaults were empty.

The savings depositors then pointed to the safe in which foreign exchange is kept. The court executors demanded that the safe be opened. The bankers persistently refused, saying there was nothing inside. When the locksmith was supposed to arrive, someone in the bank turned off the power, because they thought he would work with a drill. The locksmith, however, came without tools, and when he went to leave the building and bring a drill, the guards obstructed him. A tussle ensued, and two policemen whose job it was to protect the court executors suddenly withdrew and left the bank, know one knows why. The depositors were also obstructed, but again they did not want to leave the place where the bankers kept foreign exchange.

This went on until 1700 hours, and then the court executors, because it was the end of their workday, departed. Some of the savings depositors also left.

Somewhere around 1900 hours, according to eyewitnesses, when there remained only a few depositors, bank personnel suddenly entered the room with black plastic bags. They filled the bags with foreign exchange, carried them out of the bank, put them in two cars and carried the foreign exchange away to parts unknown. That was the end of last Thursday's attempt to satisfy the claim of the savings depositors by enforcing a court order.

"Collection" of old savings by court order began toward the end of last year. This was first done in Montenegrobanka, where they also hid the foreign exchange, but when the court was ready to drill open the vaults, the safe was opened. This January, Jugobanka in Podgorica also was reluctant to carry out a court order and pay foreign exchange to savings depositors who had won the case. The savings depositors were self-organized, they found out when there was foreign exchange, and, just like last Thursday, they summoned court executors. That time, they were shown empty vaults in Jugobanka, but the savings depositors asked to go to the room that said "Library." The bankers deterred them, laughing at them

for looking for foreign exchange in the library. The depositors were persistent, and when the "Library" was opened under judicial coercion, there turned out to be a large safe in the room. The court demanded that it be opened. The bankers did not want that. The locksmith used a drill and began to drill the safe.

"Stop, we will open it," the bankers said.

That day, the foreign exchange savings depositors who had enforceable court orders received their 50,000 German marks and 20,000 dinars.

Kosovo

Rugova: Albanian 'Passive Resistance' Stabilizing Factor

AU2204123693 *Pristina KOSOVA DAILY REPORT*
Nr.78 in English 21 Apr 93

[Unattributed report published by the Democratic League of Kosovo: "We Are Not Intimidated by Serbian Threats, President Rugova Says on an Interview to BUJKU"]

[Text] Speaking on Serbian threats issued against the convening of the parliament of Kosova, president of the republic of Kosova, Dr Ibrahim Rugova said in an interview given to the Pristina BUJKU, that these were but continuing threats against the Albanians, similar to those issued before the Kosova referendum, free elections, and 'every step that we've taken so far'. Dr. Rugova said that Serbia wanted to sound harsher now in order to intimidate the people of Kosova in constituting the legitimate parliament. "The convening of the parliament has been already delayed due to existing circumstances, and we will be holding the inaugural meeting soon, in spite of the consequences anticipated by Serbia," Dr. Rugova said, adding that Serbia had no right to undertake steps as Serbia itself had a dubious sovereignty after the dissolution of the former Yugoslav state. Dr. Rugova said that the people of Kosova felt a need for further institutionalization of their demands, of an institution which would decide upon vital questions of Kosova, naturally on the basis of people's declaration. President Rugova also felt that the question of Kosova has been present in all international instances and that it will surely be considered. That is the external factor, and the internal factor is our insistence to further our issues, and most important the people is the factor, that which has been resisting all repression and violence as a peaceful political front, Dr. Rugova said.

Replying to qualifications as to the "passive resistance," Dr. Rugova said that that was in fact a contribution that the Albanian nation in general has been giving, including Albanians of Kosova, Albania, and Macedonia, as a stabilizing factor in the Balkans.

Further president Rugova emphasized the need for further organizing of the Albanians of Kosova: "We have

achieved a lot, and above all our people is alive, we and Kosova exist in spite of the quiet ethnic cleansing which is underway, and the world has been appreciative for this fact. Therefore, we must get organized, as the greatest power lies in getting organized. The world appreciates the individual and the group which is organized," Dr. Rugova concluded amongst others.

Disagreements Between Kosovo Albanian Leaders

93BA0876E *Belgrade POLITIKA in Serbo-Croatian*
16 Mar 93 p 12

[Article by Milan Laketic: "Disagreement Between the 'Doves' and the 'Hawks'"]

[Text] Pristina, Mar—The resignation of Haljilj Matosi, coordinator of the Parliamentary Party of Kosovo [PPK], because of the position that a middle solution for Kosovo cannot be found, if statehood is precluded, and also the "collisions" of Redzep Cosja with Albanian President Sali Berisa and Ibrahim Rugova were the occasion for Dr. Mark Krasnici, president of the underground Albanian academy, to submit his resignation as well. All of this shows that something serious is taking place on the political scene of Kosmet Albanians. The Alternative's patience has begun to run out, because for the first time open disagreements are arising between Rugova's "doves" and Cosja's "hawks."

While Kosmet Albanians loyal to Dr. Rugova judge that recent events in connection with Bosnia and Herzegovina [B-H] are favorable to them, Fehmi Agani, vice president of the DSK [Democratic Party of Kosovo], hurried to welcome the airdropping of humanitarian aid to the former B-H, as well as the establishment of an international court for war criminals, saying that the DSK would make its large contribution to those trials. Redzep Cosja's Forum of Independent Intellectuals [FNI] has accused Agani of attending the recent negotiations in Belgrade on resumption of schooling for Albanian children. After all, it is Cosja's opinion, those talks were a clear acknowledgment of Serbian sovereignty in these parts and a step away from internationalization of the question of Kosovo.

While interparty "unity" is splitting along all seams, Albanian leaders are continuing conventional stories about violation of human rights, large numbers of people being driven out, torture, disarmament, etc. They are aware after all that this is the trick, to put it mildly, which best ignites democratic Europe. Agani, for example, with a colleague from the Presidency of the DSK, Redzep Ismajli, recently revived once again the story about the poisoning of an Albanian young people, presenting evidence of a certain Dr. Hendrix, an expert from the United Nations.

The best answer to Ibrahim Rugova's complaining seems to have been made by a recent analysis of the information center of the DSK and the newspaper BUJKU. That is, Rugova, self-styled president of a nonexistent republic, began his road to democracy by "smuggling

himself in" along with the idea of internationalization of Kosovo. After all, the planners of the Albanian strategy took as their point of departure the fact that the international community had to finish the job of achieving an all-Albanian state for them. The two main pillars of this strategy for wrenching Kosmet away from Serbia are these: Its placement under protection of the United Nations, with the participation of NATO and the United States and application of the newly set international precedents of the New World Order.

All of this can best be seen in the 10-point "peace plan" for Kosovo which Ibrahim Rugova set forth late last month in Washington. In the first point, he emphasized the demand for "immediate deployment of UN troops in Kosovo" and transformation of this "region into a temporary protectorate of the world organization."

Rugova then proposed that the no-fly zone that is in effect for Bosnia be extended to Kosovo, that Serbian military formations be disarmed, and that heavy Serbian artillery be placed under international control. He likewise said of the "quiet ethnic cleansing of Kosovo under the sponsorship of Serbia" that it could be stopped by allowing the confiscation of a "freely elected parliament of Kosovo and establishment of a legal body of government of Albanians." If the United States and United

Nations should continue to hesitate with their interventions, he and the other "Democrats" in the DSK are of the opinion that "escalation and a repeat of Bosnia will occur."

That other sides and individuals are also "fishing in muddy waters" is demonstrated by the statements of the Union of Independent (Nezavisni) Trade Unions of Kosovo, headed by Hajrulah Gorapi, who said: "The Serbian police are suspicious of any Albanian." And Fljaka Surroi, who represents the Committee for Protection of the Human Rights of Albanians, a few days ago submitted to the peace conference in Geneva a list of 800 Albanians who allegedly have been tortured. The recent visit of Turkish President Turgut Ozal to the lands of the Balkan Peninsula is interpreted in the light of these events, and in this connection absolute agreement was achieved in Tirana between Turkey and Albania on the question of Kosovo.

The Turks showed a willingness to take part in establishing a no-fly zone over Kosovo, and it is no wonder that certain Albanians no longer have patience and that interparty conflicts are becoming more and more open. Some like Mark Krasnici favor internationalization and the moves of Ibrahim Rugova, while the increasingly influential Forum of Intellectuals is of the opinion that Cosja is nevertheless right when he says "there is no taking of Kosovo without blood."